THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

August 9, 1947

BURNING BOTH ENDS

AN EDITORIAL

Family Ties Breed Corruption

Duncan Lee

War Over Indonesia

Lin Wo-chiang

Jap Leaders Are Still Smart

David Conde

EXPLOSIVE CARGO

AN EDITORIAL

VOLUME 106 PRICE CNC$5,000 NUMBER 10

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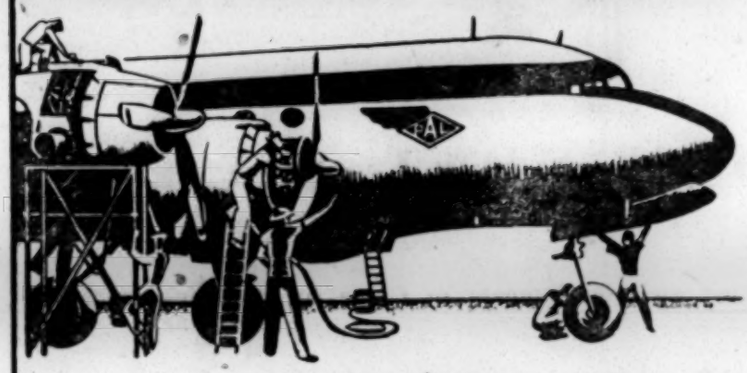

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

For Fact-Finders

To The Editor:

I should like to suggest that a drive for free subscriptions to the *Review* for U.S. policy-makers be carried out in this column. My reason is that the *Review* is the only authority on Far Eastern affairs and the views expressed in the editorials are 99 percent sound and correct, if not 100 percent.

Judging from the present reactionary policy of the U.S., I wonder if her policy-makers are well-informed of world affairs and if they have read any issue of the *Review*. In order to open their eyes to the "ironic facts" and bring the truth home to their hearts, I think one of the best ways is to set a copy of the *Review* on their desks so that the truth will always impress their minds just as a Camel advertisement does some readers.

The big shots that I suggest as our co-readers are Truman, Vandenberg, Taft, Marshall, Acheson, Wedemeyer, Eisenhower, MacArthur, Dewey and Henry Luce. Who will recommend the rest?

As a sponsor, I herewith send you CNC$30,000, which is 10 percent of my salary, for free copies to General Wedemeyer, the fact-finding envoy to China, beginning from the last issue of June.

I hope all conscientious readers will join this movement and contribute their share to "our friends."

A WEDEMEYER FRIEND-TO-BE

Shanghai,
July 28, 1947.

(EDITOR'S NOTE:—As requested, the Review has mailed to Gen. Wedemeyer its issues from June 28 to August 2.)

Both In Wrong

To The Editor:

The recent clash between the local police and gendarmes is a great stain on our national honor as well as a regrettable incident in this metropolis. I would rather call it "An Epitome of China's Civil War." Let me tell you my personal view.

(1) Both of the conflicting parties are to blame on the grounds that they have disturbed social peace and order, no matter who started the firing. And neither of them is justified to put in any claim or claims since both have violated the law of which they are supposed to be guardians. It is not a matter of judging who is right and who is wrong, but who is more in the wrong. That is up to the National Defense Council to decide according to the prevailing Emergency Regulations.

(2) The clash leaves no room for any scandalous hint of Communist instigation or underground activities of the Democratic League. Yet naive observers and reporters are liable to have been deceived by its superficial cause and developments that could lead them to such a judgment. We must get to know the nature and characteristics of the constituents of both sides before we can make out the real significance and seriousness of the clash during the present national crisis. Deadly hatred and struggle among the different cliques within the Kuomintang, whose thirst for gold and power is unbounded, have drenched deep into the doors of all organizations —

THE CHINA WEEKLY REVIEW

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military, civil, educational, and also KMT *tangpu*, labor unions, chambers of commerce, social works, and bureaucratically capitalist business houses—besides the already-existing irreconcilable grudges and political counter-activities everywhere between KMT and CP. Probably once more there has been exposed the bad need of "house cleaning" in our KMT-monopolized government before the very eyes of the American presidential envoy staying in China (and right here in Shanghai when the clash broke out) as well as of those China policy makers sitting leisurely and conceitedly in the White House to watch and wait for the triumphant return of General Wedemeyer's mission.

This, however, is not mere guess work. You can easily understand it from yesterday's police "parade ride" in 17 trucks (remember, it was quite a different thing from the procession of students staging demonstrations last May) through the main streets of Shanghai after a week's lethargy on the part of our government in settling the issue, as hoped for by the police. China's law is barely effective on the "gun-toting class;" it is used for the purpose of suppressing or quelling such "subversive or Communist-inspired elements" or "underground Communist agents" as students and professors and hawkers and department store clerks.

Our government's imbecility is characterized not only by its corruption and inefficiency but also by its weakness or inability to handle the disputes and dissensions among the members of its own cliques (those subtly powerful little parties within the party in power), who are constantly "at war" with one another. What "political capital" they have in common and what can get them to work in unison is their "united front" against Communism, Liberalism and Democracy all of which will inevitably sound the knell of all reactionary and undemocratic elements of China in due course.

(3) It could only be explained as an excuse—or more accurately, a "powder-hose"—for the clash that a policeman and a gendarme held different views as to the "ticket affair." An affair like this, which is but an everyday occurrence in any country, and much more so in China, could not have led to such a disaster. There must have been hot dissensions and bitter conflicts near explosion point between the police and the gendarmerie, which are unknown to us outsiders. At any rate, such a terrible fight as developed from a quarrel between two negotiators of the third party is simply beyond common sense.

Moreover, I don't think it logical that both police and gendarmes under our present regime would be so good as to act up to their proper duties of actually and fairly settling the disputes among the masses or maintaining the morale and discipline in the army. If they had been faithful executors of their respective duties, which are based on the one aim of strictly guarding and enforcing law, there should have been little possibility of fomenting misunderstanding or rivalry toward each other, and peace and order should have long been restored to society and hence no persecutions, arrests, murders and killings of civilians at all.

Since it is instruments of force that our government has been resorting to, the users of such instruments in its employ would think it but natural that force is an ever-ready expedient at their disposal, even for their own selfish ends. Force, then, is a fire not to be played with, because it will not only burn part of the people at large but scorch all the users themselves as well.

(4) Now it seems rather palpable that the gendarmes are more in the wrong than the police. But even if that is so, even if either of the parties was interfering in the other's business, why shouldn't they have resorted to settlement through proper channels by their superiors instead of engaging in a street battle with American-supplied weapons of war. This was but one instance of the many misuses of foreign loans. In this connection, I wish to call the attention of President Truman, Secretary of State Marshall and General Wedemeyer to the fact that one single missile discharged lavishingly by the gendarmes (or the police) would plainly mean one-130,-000,000th of the KMT's waste in their "war effort" toward the "suppression campaign" and just as much loss in the "good will' and "friendly help" the U.S. Government is kind enough to have given ours, to say nothing of the over heavy burden of foreign loans (loans for destruction instead of reconstruction!) with which we Chinese people have been taxed.

(5) The civilian loss of lives is nothing to be compared with the police casualties simply because the Chinese "little people," who have been easy objects of exploitation and persecution and constant sufferers and victims of civil wars during the past generation or more, are worth no more than a bad penny and are no better than driven cattle. This could be seen from the fact that the gendarmes were so ruthless as to fire four shots into the vegetable hawker in spite of the latter's repeated cries of "I am a *lao pai hsing!*" (What! A *lao pai hsing*, a damned thing!)

Where shall we expect to find Humanity and Liberty in China, then? Will the non-existence of these two treasures be very good material for Gen. Wedemeyer's findings? Who will be the chief one responsible for spoiling his henchmen in doing everything against the interests of the whole nation, may I ask?

(6) I don't see it justifiable to give funeral expenses and pensions to the families of those police killed in the clash (even though they were victims with whom I do sympathize) because the police didn't give up their lives at their proper posts but in a nonsensical and ridiculous miniature "civil war."

(7) The repeated raids and ravages done to the victimized theater on the following day are a thing far more condemnable than the issue itself.

Whatever the settlement of the clash may be, it will be the people who pay most dearly in the long run. They are bound to fill up the gaps in our national budgets, anyway.

LONG BOW.

Shanghai,
August 2, 1947.

The Other Side

To The Editor:

The Soviet position in the question of handing over Dairen to the Central Government has been much abused in the Government controlled Chinese press and foreign journals here, and I think it is only fair to provide some space to a communique of the Soviet Government with regard to this question. I hope you will print this if only in the interests of promoting understanding between the Chinese and Soviet peoples.

Here is the *Tass* answer to the Central Government note of early July:

"As has already become known from the official *Tass* communique published in April of this year and, still earlier, in December, 1945, and January, 1946, the command of the Soviet troops which were then staying in Manchuria informed the representatives of the Chinese government in Manchuria of its willingness to render every assistance in establishing Chinese civilian administration in Dalny. Willingness had likewise been expressed to render the necessary assistance to the Mayor of Dalny City when such a person would be appoined by the Chinese Government. Although at that time the Soviet command had received an official communication from the Chinese Government on the appointment of a Mayor for Dalny, no Mayor had arrived there.

"On December 3, 1946 the Soviet government communicated with the Chinese government regarding the establishment of Chinese civilian administration in Dalny and in the area of the naval base of Arthur. No reply having come, the Soviet government again addressed the Chinese government on March 7, 1947, suggesting that the establishment of Chinese civilian administration in the entire naval zone of Port Arthur and in Dalny should be expedited in accordance with the Soviet-Chinese Agreement of August 14, 1945. During the subsequent negotiations the Soviet government guaranteed that the Soviet military command would assist the Chinese civilian administration in the fulfilment of its functions.

"Thus it becomes clear that the assertions of the Chinese Foreign Ministry to the effect that the Soviet Government prevented the establishment of Chinese civilian administration in the area of the Port Arthur naval base and in Dalny does not correspond to the facts and misleads those who are not acquainted with the actual state of affairs.

"Equally groundless is the Chinese Foreign Ministry's assertion alleging that, because of the absence of Chinese government troops in the area of the naval base, Communists were able to set up and enlarge their armed forces in the vicinity of Port Arthur and Dalny. The Ministry for Foreign Affairs of China is well aware that no armed forces of Chinese Communists were or are to be found either in the vicinity of Port Arthur and Dalny or throughout the area of the naval base.

"As regards the intention of the Chinese government to send Chinese troops into the area of Port Arthur naval base, this contradicts the Soviet-Chinese Agreement on Port Arthur, the fourth Article of which says that the defense of the above naval base is entrusted by the Chinese government to the USSR government, that the USSR government is to create the necessary structures there for the defense of the naval base and that the expenditure is to be borne by the USSR government. And Article 6 of the Agreement on Port Arthur says that the USSR government is entitled to maintain its land, naval and air forces, and determine their disposition, in the area of the naval base.

"The Port Arthur Agreement did not provide for the garrisoning of Chinese troops in the area of the Port Arthur naval base. The Agreement on Port Dalny, too, contained no provisions for the stationing of Chinese troops in Dalny, but, according to that Agreement, Dalny during the state of war with Japan is subject to the war regime established at the naval base. Since the state of war with Japan has not been terminated, as there is as yet no peace treaty with Japan, the regime of the naval base extends to Dalny.

"The Soviet government, invariably true to its international obligations, believes it necessary in this case to stand strictly by the above-mentioned clauses of the Soviet-Chinese Agreements on Port Arthur and Port Dalny, and it believes that precise and loyal fulfilment of these clauses is obligatory for both signatories. The Chinese government's claims concerning dispatch of troops to the area of the Port Arthur naval base and Port Dalny contradict the above-mentioned Agreements.

"The reference contained in the Chinese Foreign Ministry's communique that the Chinese civilian administration could not execute its functions without having Chinese troops in the area of the Port

Arthur naval base is irrelevant. Public order, equally with the security of the civilian administration in the area of the Port Arthur naval base and in Dalny, could be perfectly well assured by Chinese police forces, the entry of which has been agreed to by the Soviet government.

"The Chinese Foreign Ministry's assertion that General Tung Yen-ping's group, who recently visited the area of the Port Arthur naval base and Port Dalny, did not meet with assistance on the part of the Soviet command does not correspond to the facts.

"According to official reports of the representatives of the Soviet military command of the Port Arthur naval base, General Tung Yen-ping's group was accorded every facility for studying the situation in the area of the Port Arthur naval base and in Dalny. This group was rendered assistance in acquainting itself with various social organizations, industrial establishments, and the working of railway transport of Port Arthur and of Dalny port, as well as being furnished with information regarding other matters which interested General Tung Yen-ping.

"On the eve of his departure from Port Arthur, General Tung Yen-ping and the Chinese Foreign Ministry's delegate, Cheng Chang-fei, in their talks with Soviet officials, expressed satisfaction with the assistance rendered to General Tung Yen-ping's group by the Soviet military command.

"As regards the mention in the Chinese Foreign Ministry's communique of the Soviet government's consent to render China support and military aid as well as to respect China's sovereignty over the three North-Eastern Provinces (Manchuria), the Soviet Union has fulfilled these commitments, having liberated with its armed forces the three North-Eastern Provinces of China from the Japanese imperialists and subsequently withdrawn its troops from these provinces out of respect for the sovereignty of China.

"In view of the above expose, the Chinese Foreign Ministry's communique, which tendentiously distorts the facts, cannot be regarded otherwise than as an attempt calculated to facilitate the hostile campaign against the Soviet Union which is being conducted at the present time in China. In this campaign certain Chinese circles and foreign quarters close to them are evidently interested with a view to distracting attention from problems of the internal situation."

U. S.

Shanghai,
August 2, 1947.

Religious Freedom

To The Editor:

I was out of town when you published your decision to close the "discussion regarding Religion and the Reds and Spiritualism and Materialism." (May I point out the ambiguous and unusual use of the word "spiritualism" here?)

It is, of course, your editorial prerogative to close any discussion and also to give the last word to whomsoever you wish. In this instance you have given it, in the articles, to Mr. Pitt Scho-yenn, who attacks religion. It is likewise for you to decide to what extent your correspondents may resort to irrelevancy in argument, unfairness in insinuation and vilification and still merit publication. Again, it is a matter of editorial taste whether an anonymous letter carrying a wild and undocumented accusation should be headed Blind Fanaticism without quotation marks and without question mark.

Since the discussion is apparently being continued in your correspondence columns, permit me to refer any of your readers who may not have seen the preceding articles, to your issues for May 17, 24, 31; June 14, 21, and July 5. My articles, which evoked such revealing if not always relevent comments, appeared on May 31, June 21 and July 5.

First, in a letter (May 24) I took issue with an anonymous "foreign correspondent" who had implicitly denied either the good faith or the judgment of those other correspondents who had reported Communist attacks on religious institutions and personnel. On May 31 I presented a factual report of cases known to me. The various published comments on this article included vituperation against religion and against me but none of them challenged the facts, except possibly "Atheist," who quoted an undated statement by the late and regretted Dr. Harrison. I gave my comment on that in my July 5 article and could add further comments, since I now recognize the occasion of the statement to which Dr. Harrison referred.

The matter is simply one of fact. Irrespective of the religious or irreligious views of anybody, have the Communists—on whatever pretext — violated religious freedom or have they not?

After all, I merely stated with fairly precise detail and citing many cases, what you yourself had said in an editorial on April 26, when you wrote:

"In a few cases....of which we have rather complete knowledge, church properties, both Catholic and Protestant, were destroyed and church officials molested.... There is absolutely no reason to believe that all missionaries per se were collaborators. Certainly the percentage of non-Christian collaborators was much higher than the percentage among those professing Christianity....It has been our observation, especially in the rural areas, that the missionaries are well thought of by the local population. This increasing hostility toward the church and church property can only result in increased difficulties for the Communists.....The Chinese Communists today cannot stand additional bad publicity abroad."

You headed that article "Communist Savagery," a term blunter than any I used.

While I confined myself to current events, Mr. Len Johnson, by way of comment, raised the philosophical issue of religion versus materialism. To the apparent displeasure of two correspondents, I replied to him. What was I expected to do?

Mr. Pitt Scho-yenn says that my "statements...that God really exists, that many great scientists are Catholics and

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that scientists also speak up for religion are nothing but overtures to an ultimate manifest intention: to condemn the Reds."

No, Mr. Pitt. They are clearly a sequel, not an overture. And they are a sequel to a gratuitous and unscientific attack on all religion.

And my intention is merely to report widely-known activities that the Reds themselves can halt at any time and thereby clear their name of something that the world at large believes to deserve condemnation, no matter who does it.

Mr. Pitt goes on to say: "In the scientific world the existence of God is doubtful, to say the least." This, after men like Robert Milikan, Nobel prize-winning physicist, Arthur Compton, physicist of the University of Chicago, Eddington of Cambridge, all of whom I quoted, with references, have said such things as: "Modern science of the real sort is slowly learning to walk with God....Few indeed are the scientific men of today who will defend an atheistic attitude." Can Mr. Pitt speak with more authority than these? Is he a greater scientist than, for instance, Max Planck, formerly professor of physics in the University of Berlin, Alexis Carrel of the Rockefeller Institute, Pasteur or Kelvin? Such men as these know scientific laws, which are simply the formulae describing regularly observed phenomena. But they know that wherever there is a law, there must first, in logical and in chronological order, be a law-Maker. The quantitative recording of regularly recurring chemical or other action in matter does not account for the intelligent designing and the first causing of that matter.

You can measure the size, weight and speed of a new Ford. You can take it apart and observe how its engine works. But all that observation does not do away with the necessity for a Henry Ford back in Detroit to design and make the car. Rather, the more minute and intelligent the observation is, the more evidence appears pointing to a designer and maker.

Mr. Pitt has been unfair to himself in adopting an unscientific prejudice that puts him in an intellectual position unworthy of him.

"It is useless to be dogmatic," he says quite dogmatically, in a paragraph that ends with the equally dogmatic statement: "It is simply unbelievable." I quite agree with him when he says that God, whose existence he supposes for the moment, has no "phobias." (But He is certainly infinitely true and just and cannot be indifferent to falsehood and injustice in human beings, whom He has made and endowed with intelligence and the magnificent responsibilities of free will). Here I merely point out that Mr. Pitt himself is dogmatic.

In passing, Mr. Pitt says that I should "be really concerned about the welfare of the Chinese people."

All right, Mr. Pitt. You've brought it up. I'm quite willing to match my work and personal sacrifice for the welfare of the Chinese people, over nearly a quarter of a century, with yours or that of any of these four or five writers, and to let the editor of the *Review* be the judge.

The correspondent signing himself "Brutus" invents a weird prayer which he apparently ascribes to me! This is typical of the technique. A few samples will show how the rest of his letter is in keeping: "Blind fanaticism....wretched cant and railings....omniscient....quixotic." "Why cannot we think in terms of truth and justice?" he asks. Precisely, my dear Brutus.

Next comes Mr. Yang, who thinks that the "hideous appearance and heavy exploitation purpose" of religion have been revealed. Exploitation! When missions of all denominations, Chinese religious workers as well as foreign, have served the people of China, with schools, hospitals and orphanages at the cost of personal self-sacrifice and the self-denial of millions of Christians in the U.S. and Europe. Communist leaders in my presence have acknowledged this service and this sacrifice. The plain, poor people of China remember too vividly their sufferings of the war years, and the work done by the missionaries who stayed with them, for such unjust word to find any popular echo.

I sympathize with Mr. Yang in his personal hardships and hope that I may some day have the pleasure of meeting him and the other writers, when we can emphasize our points of agreement rather than of difference.

I intend to leave shortly for the Philippines and cannot expect to keep up with such letters as those quoted—to which, frankly, in ordinary circumstances I would not reply.

I repeat that "I am concerned only with the issue of religious freedom. I hold no brief for the political views of any party in China or elsewhere."

I mentioned Father Liang of Yenan in my first article. He had been there for 10 months under manifestly close restrictions, when I visited Yenan in February. Unfortunately, I can now report his death at the hands of the Communists. First, he was subjected to the *teou cheng*, hung up and badly beaten. One charge against him was that he would not marry. He was given the option of renouncing his faith and priesthood and adopting Communism or being killed. He refused to apostatize. The threat was not carried out on that occasion. The Reds took him with them when they evacuated Yenan and he met his death at their hands about April 15.

I salute the memory of a brave young Chinese priest, who knew what danger he was facing when he volunteered to go back in his priesthood to the village he

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had left as a boy, that the people might have some religious ministrations after 11 years of spiritual privation. "The good shepherd lays down his life for his sheep."

While atheistic Communism is a philosophy obviously opposed to Christianity, there is no reason why these, any more than other atheists, should persecute Christians or any other believers. And as the atheists criticize Christian philosophy, Christians should be free to criticize theirs. Meanwhile, wherever the Communists hold sway, Christians, like others, must observe the ordinary regulations for public well-being and order. And that, as far as my observation could go, they have been doing meticulously. But no government, *de facto* or *de jure*, has the right to demand apostasy or to hinder any man, directly or indirectly, from worshipping God or from teaching his children to worship God.

If the Chinese Communists or their friends claim that there has been no persecution of religion in their North China areas, I suggest that they invite the American Civil Liberties Union to investigate the status of religious liberty under the Reds. If the Civil Liberties Union is not acceptable to them, I suggest that a committee from the UN Commission on Human Rights be asked to make the investigation, under the chairmanship of Mrs. Franklin D. Roosevelt.

PATRICK O'CONNOR,
National Catholic News Service.
Shanghai,
July 31, 1947.

"Fantastic?"

To The Editor:

I have read carefully, with analysis, the Rev. Patrick O'Connor's articles in recent issues of the *Review*, reporting the cruelty of the Chinese Communists. It is believable that some priests were possibly killed by them, but killed by "heart extraction" and "cutting out of eyes"—especially applied to patients—is really "fantastic." This leads me to reflect on the terrible stories I have read. What is the use of the human heart and eyes? Could they be a source of ammunition? Do you think the Communists are so foolish as to behave so wickedly and purposelessly?

I wonder how historians criticize the incident of the Yi-Ho-Tuan at the end of the Ch'ing dynasty, when many priests were also killed. Were the Yi-Ho-Tuan Communists?

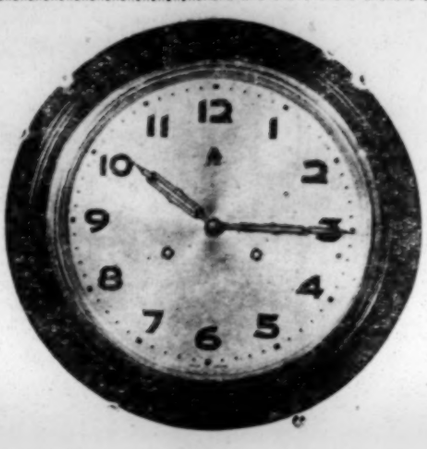
There is a great Catholic church somewhere in Shensi, near which many cultivated persons—the alumni of a union university during the war—have resided. They know well the favors the church has done for the *lao pai hsing*. I would like to suggest to the Rev. Patrick O'Connor that he help the priests there to leave before the Communists come, otherwise they will be killed by either the *lao pai hsing* or the Communists.

ANDREW W. LEE.
Wutungchao, Szechuen,
July 26, 1947.

"Apostate"

To The Editor:

Hitherto I have been a silent reader of your valuable *Review*. But now, since Father O'Connor's wordy and self-complacent arguments about the existence of God jarred upon my nerves pretty disagreeably, I have decided to break the ice and say something myself. I am sorry I am so late—after you have decided with Mr. Pitt Scho-yenn's article appearing in the July 12 issue to bring the heated polemic to a close. For all that I can't keep silent and I trust you'll excuse me. In order to be short, I will bring up only one or two parts of the Father's



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absurd arguments.

To demonstrate the existence of God the good Father, among other things, has cited a long list of great scientists who were, or are, Catholics. But what does that prove? Since a great scientist may understand thoroughly his own line, does it necessarily follow that he must know everything—particularly a thing so fabulous and positively indemonstrable as the existence of a God? If this were sound reasoning, I might as well conclude that, since many great men such as Rousseau, Voltaire, Lamarck, Haeckel, Darwin, etc. did not believe in God, there is, therefore, no God. Again I might as well argue that, since the great relativist Einstein does not believe that an egg can be set upright, it is impossible to set an egg upright in spite of my own experience to the contrary!

Then he seizes and clinches the mystery of life as his sharp weapon to fight out a god. Granted that life still remains a mystery to today's science—in the sense that no life thus far has been artificially produced—we may at most say that much is still left to be done for science, and that is all. Father O'Connor himself must confess that in the history of human civilization every revelation of a natural mystery by science pares down man's belief in some supreme being. This trend makes it safer for us to infer that science has a great future in striving to solve the rest of Nature's puzzles than to take advantage of the same and fool people with the allegation that there is a God. Pray, Father O'Connor, which is begging the question, not to be able to solve a puzzle and say "I don't know yet, but I'll see," or to say groundlessly "just because there is a mystery, there must be a God?"

For Father O'Connor's information, I myself was once a Catholic priest and preached the same story that the Catholic priests do. But I had to desert the Church and become an "apostate," not because I was vanquished by the enemy of flesh, as the Catholics profess to believe, nor because it was possible for me to prove positively that there is no God, but only because I found that the so-called proofs of God's existence offered by the Church were mere dogmatic assertions, or, worse, sophisms.

I might have brought up many more such assertions in Father O'Connor's argument, but let me stop and save the *Review's* precious space.

PETER LY.

Pingliang, Kansu,
July 22, 1947.

Conditional

To The Editor:

A corrupt, weak and useless government is not what we need, nor do we need the merciless, cruel and traitorous communists. Under double oppression, our livelihood is gradually going from bad to worse. The civil strife will carry on for years unless we get foreign intervention. It is very clear that the USSR intends to kick us down and suck our blood, but the USA is tender, generous and liberal.

The democratic policy of the USA can be demonstrated by the fact that Mr. Wallace made anti-government speeches everywhere but was never placed under arrest. However, Stalin's success is maintained by killing all those who attack him. So we Chinese people are in need of the USA type of democracy. It is a reality, not a slogan.

As most of the highly educated will agree, now is the time for the US government to give us economic and military help. But this does not mean unconditional loans of greenbacks and armaments to our Government. The US must send officials to different organs of the Chinese Government to check over their work. In the Judicial Yuan there should be US officials who have the power to check over any law cases. In this way cases such

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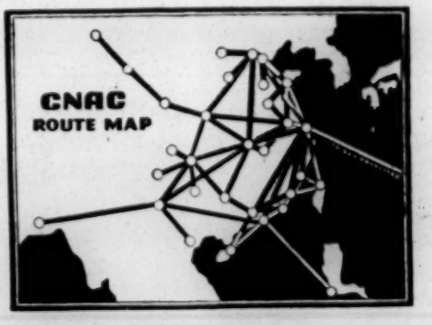

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as rice scandals, gold scandals, etc. will have fair judgment, and those criminal big potatoes will not be allowed to go free.

The US officials should also have power to check the properties possessed by high Government officials. How did Soong and Kung acquire such vast amounts of property? They should be traced to their origin. If it is found to have been illegally acquired, not only should the properties be confiscated, but the culprit should be prosecuted.

In educational, military and economic affairs the U.S. officials should be empowered to carry on this kind of checking. I think, and most of my friends think, also, that under these circumstances it would only take one or two years for China to become strong and for our peoples's livelihood to improve, and then the people in the Red areas would come to us. The Communists would not be able to carry on and would have to join our government.

So the US government must help China —conditionally. It is not necessary for Mr. Wedemeyer to fly here and there looking for a way. The above mentioned plan is the only way in which the US can help China efficiently.

Some people—especially those corrupt officials who use every chance to squeeze, and those Communists who, under this corrupt Government, find it easy to promote their policy—will put the cap of "traitor" on my head. How can an independent nation be put under a foreign country's supervision? It is a revival of extraterritoriality. But it is the only method of getting rid of those high ranking, corrupt officials and doing good for the people.

Britain, USSR and France are imperialistic—only the USA is the best and fast friend of China. Otherwise how could China have been freed, and how could she have become one of the Five Powers? Uncle Sam is not only good to us, but also to the Philippines and Japan—the one is now independent and the other on the way to prosperity.

Dear fellow countrymen, don't hesitate. It is the right time for us to ask for conditional help.

S. L. HSUEH.

Shanghai,
July 28, 1947.

Students Amok

To The Editor:

The sinister behavior of students in many sections of the country has become intolerable of late and college professors are in a precarious position. The recent killing of a professor at Lingnan University, Canton, and the wounding of a professor at Tsing Hua University, Peiping, blacken the educational history of China.

So far there has been very little or practically no comment from Government officials, educators or the press on this serious problem. The offenders in these two cases may or may not be punished according to the law. The Lingnan case occurred two months ago, but up till now we have not heard any further news concerning the outcome of the case, while the Tsing Hua crime, committed on July 26, is too recent to have been settled.

This killing and wounding of teachers is unprecedented in China's history. Even among barbaric tribes, tragedies such as these do not take place. According to a Chinese maxim, one owes more to one's teacher than to anyone else with the exception of one's parents. Hence the crime committed against one's teacher should be more severely punished than a similar crime committed against another.

Nowadays, the students are powerful while the professors are helpless. The former have organized groups while the latter have not. Furthermore, professors are poor and powerless — they depend almost entirely on their scanty salaries. What a pity!

It is believed that these two cases will be amicably settled with compensation to the victims' families. The public will soon forget the deplorable tragedies, disregarding the old doctrine of honoring teachers. China's educational situation is in chaos and decayed to the core.

The cause of the crimes may be due to the fact that students are intoxicated with their "success" in their recent demonstrations against the Peiping rape case and in their classroom strikes. They demand that their professors give whatever marks they demand, and if they receive a negative reply they resort to violence. In order to maintain his popularity these days, a professor must be *ma ma fu fu* and give every student a passing mark. If he is too strict and faithful to his profession, he will sooner or later fall a victim of the students' rage. There is no public support or public opinion to back him up. Indeed, he is a miserable individual in society! If the above cases had happened during the Manchu Dynasty, not only the offenders themselves would have been severely punished but also their families would have been involved.

The question of how to get a good and sound education without faithful and strict professors has arisen. The Government is too busily occupied with military, political and economic affairs to spare time to look after such everyday happenings like these. It is up to each individual professor to take care of himself—to earn a livelihood without getting into a mess with students.

I wonder that students dare to speak of China's past and present glories and civilization! What is the glory of killing and wounding teachers? I taught in colleges for more than 20 years and luckily have left that "battleground." I feel too sad on hearing that our dearly beloved professors are suffering "atrocities" at the hands of their "beloved" students.

Shanghai, LEE YEE-YUEN.
July 30, 1947.

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Message To Army

To The Editor:

On reading Mr. Fei Liang's letter entitled: "Rape-Murder," published in June 28 issue of your esteemed *Review*, I was moved by it and I want to voice a lot of sympathy for Miss Chou, who was raped to death by four soldiers. But I have some words to say to our soldiers:

"You are the nation's fighters, the pillars of the state, you have fought for your country against the Japs and raised our international position; so we respect you, honor you, give you all we have. Of course, you are very proud of this reputation and consider yourselves the Sons of God.

"But several of you are not too respected. Some have done some crimes such as robbing people, illegally killing people in the dark, and raping women, etc. So some consider you as gangsters, though these outrages are not done by all of you.

"Dear comrades, you are the pillars of national reconstruction and our country is on the verge of death, so you must train yourselves as fast as you can, give up all bad habits, prohibit everyone doing evil to people and become the vanguard of revolution. This is my bequest to you."

H. Y. CHANG.

Chungking,
July 29, 1947.

One World

To The Editor:

It is a famous and oft-repeated remark of Plato's that happy will be the people when their philosophers become rulers or their rulers become philosophers. But it is no less true that certainly doomed are the people when their quacks become rulers or vice versa. For whenever these two sets become one and the same, all evil things on the earth will be possible, plausible, and even justifiable. There is not a single evil doer but has his own philosophies.

Let us take the case of patriotism as an example. Truly noble men never boast of it; never make much noise about it. Only quacks, fanatics and rascals use it as a happy refuge, the brave Englishman, Johnson, has pointed out. In the name of patriotism, quacks, fanatics and rascals are now ruining this country and sabotaging world peace. They mutilated Dr. Sun Yat-sen's Principles.

One party holds that it is most important to achieve a powerful and glorious national unity; that the people's livelihood can be ignored and freedom of the person dispensed with. They are fanatical and vainglorious, anti-foreign and blindly proud of the past history of the nation. In their foreign and domestic policies they are still thinking as their grandfathers did. They want one foreign country to fight against another for them. They regard the people as inferior beings. They always think that they are feeding the people, not the people feeding them. They will determine the fate of the people and even cast a horoscope for it.

The other party holds that people's livelihood is most important; to secure it, the individual must surrender his freedom. If this is true we do not want it either. For according to Dr. Sun's spirit, I presume that the fundamental thing is that the people must be able to keep on living and have the opportunity to better their life. But they cannot live by bread alone, they must also enjoy freedom—the freedom of choosing and changing their government as the conditions warrant. For if man does not think freedom all important, he will not only lose freedom but is very liable to lose other things which he deems more important than freedom.

The English and American people have always fought for freedom in their revolutions and they need seldom fight for bread again. Show me a free people and I can show you prosperity there. Show me an abject people, worshipping their kings and rulers as idols, and I can show you graft, misgovernment, civil strife and starvation prevailing among them. Hence freedom is not merely a high-sounding term, it is of vital importance to the very life of the people.

In order to secure the enjoyment of these two things, life and freedom, a people must unite into a nation to protect itself from foreign invasions in a world where such things are still to be feared. But this is only a melancholy necessity, far from being the ultimate ideal state for a people. Indeed, Dr. Sun emphasized that the highest aim is to achieve One World where all men can live together in peace and equality. Now this One World is not only a remote dream but becomes an urgent necessity if men wish to inhabit this earth any longer.

The editorial entitled "Anti-Foreignism" in the July 12 issue of the *Review* has given me much food for thought and reminds me of an article by Dr. Hu Shih, entitled "Emergence into Clear Vision of The Demarcation of Two Worlds At the Present Time," which appeared in the Peiping *Ta Shih Pao* about a month ago. To save the valuable space of your *Review* I can assure you that this is the Chinese version of Arthur Vandenberg's opinion. For a time I was bewildered. I wrote an article challenging his viewpoint, as I took him as a Chinese and a reputed liberal. No newspaper will publish my article and Dr. Hu's gospel of TWO WORLDS has surely enchanted some people without anybody questioning the validity of it. But whatever people might believe, I am for the One World.

BRUTUS.

Peiping,
July 23, 1947.

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Vol. 106 Shanghai, Saturday, August 9, 1947 No. 10

Burning Both Ends

WITH the compliments of the Government Information Office we receive our copy of the Daily Bulletin which brings official translations of the editorial pieces of various newspapers. We peruse this bulletin with great care and are greatly instructed in the process. Sometimes, however, we fail to comprehend the logical sequences of the editorial writers whose pieces are brought to us.

Witness the following excerpts from a *Central Daily News (Chung Yang Jih Pao)* editorial of July 28, 1947. The paper urges the people to support the food policies of the Government, which appears to be a reasonable demand. But when the arguments *for* such support are given the confusion is so utter that we doubt whether this kind of reasoning will ever enlist popular support for any policies, let alone those concerning foodstuffs.

"The implementation of the Government's food policies will not only meet the needs of the present Communist suppression campaign but will also speed up China's program of national reconstruction," the *Central Daily News* begins.

"As agricuture is still the backbone of China's economic life the demand and supply of vast amount of farm products should be properly regulated. Then for the industrialization of our country, surplus foodstuffs should be exported to pay for essential machinery and equipment.

"Meanwhile, to help bring about a stable economy, the farmers' livelihood should be improved and agricultural production boosted," the paper says.

The food policies for which support is asked entail the collection of 2,500,000 tons of foodstuffs to maintain the 5,000,000 strong army for the next 12 months, according to Premier Chang Chun. This is apparently what the paper meant when it says that "the supply and demand of vast amount of farm products should be properly regulated." But to speak of the export of *surplus* foodstuffs at a time when the Central Trust is importing food from abroad, is faulty logic, to put it mildly. Food Minister Yu Feipeng told the press in Nanking that 500,000 tons of rice and wheat the government has purchased abroad is now being transported to China. Can it be that the editors of the *Central Daily News* don't read the other papers?

"To help bring about a stable economy, the farmers' livelihood should be improved," the paper says, forgetting for the moment that 2,500,000 tons of potential livelihood is to be "regulated" into army stores.

It would be extremely interesting to learn of the reaction to the foregoing editorial on the part of the average *Central Daily News* reader. And also his thoughts and reflections when he realizes that the surplus food is not being exported "for the industrialization of the country."

We doubt very much if this kind of reasoning and "logic" will ever foster popular support for the Government's food policies.

The Finer Arts

THE *Chung Yang Jih Pao* informs us that young men dressed as beggars roam the streets, singing the ditty entitled "The Fall of the Lotus Blossoms." As this ditty is "quite insulting to the Government, it is evident that there is an ulterior motive behind the singing," the paper says. The Police Bureau has been instructed to look into the matter.

Art for art's sake, we would say.

Explosive Cargo

IT is becoming clear that China will soon be left without civil aviation companies for the simple reason that these civil aviation concerns are being transformed into branch lines of the Chinese Air Force. From reliable sources we have information that following the dropping of rice into besieged Anyang last month, one of the civil air companies has now undertaken to fly loads of TNT for the Government, obviously neither for civil nor relief purposes.

We also understand that while it is the custom and understanding all over the world that the carriage of dangerous cargo (such as TNT) is invariably accompanied with double pay for the flight personnel and is unreservedly a voluntary job, the civil aviation concern in question has notified its pilots that they "will now not refuse to carry" such dangerous cargoes, and besides, do it at regular pay.

In the meantime, we learn from similarly reliable sources that the Chinese Air Force is busy carrying cotton from Tsinan for the mills of Tsingtao—at a time of blockade of the overland routes, a very profitable undertaking. Thus, the civil aviation companies are left to handle the TNT, the carriage of which is apparently not so proftable, nor as safe as the airlifting of cotton.

Of course, the Chinese Air Force is free to carry what it wishes. And both CATC and CNAC likewise. But there are a few questions: What will happen in the event a plane carrying TNT develops engine trouble and is forced to crashland? Will the flight personnel surviving the crashlanding be treated courteously by the

Communists for hauling TNT in civilian planes? Will the Communists start shooting down civilian planes when they learn that these are used to carry explosives? Who will be to blame if the Communists do shoot down a couple of civilian planes engaged in such missions?

It is true that to date there has been no instance in which TNT was loaded for carriage on planes already carrying passengers. But an emergency may always lead to such an occurrence, in which case a forced landing would become a real tragedy.

We don't know enough about aviation to say whether the companies will be able to coerce their flight personnel into working at regular civilian pay, for what amounts to an auxiliary arm of the air force. This is a question to be solved by the pilots individually. But of public interest and regret is the gradual transformation of China's rapidly-expanding civil aviation into a subsidiary of the military.

Eventually, Too

EMPEROR Hirohito will see the interior of a coal mine for the first time in his life.—*News item.*

When he gets through, he should be allowed to see the interior of a court house.

Short-Sighted Policy

IT IS already evident that Congress' short-sighted policy of curtailing the activities of the United States Information Service is going to interfere with the administration's plan to present the "American picture" to a world on the brink of turning to Communism. Republican Congresses—at least as we have known them in recent years—are generally odd assemblies, anyway, and this one appears to be in keeping with this tradition.

As we had occasion to point out a few weeks ago, Congress is yelling for bigger and better business throughout the world in one breath and calling for an American tariff hike in the next. It wants to lower Government expenses and at the same time will not forego its own private porkbarrel schemes. Its idea of reducing taxes is to make the little guy continue paying his share, but to "ease the burden" of the big fellows. Now violently anti-Russian and, to some extent, not very pro-anything or anybody outside the continental United States, it has decided to save a few million dollars by slicing the State Department's budget for the USIS.

The value of this descendant of the war-time Office of War Information appears to us to be well known to any American who has spent even a brief period outside his native country. Despite our generally smug opinion of ourselves and our country and the childish belief that all the world views us as fine folk, many peoples throughout the world have rather strange ideas of the United States and its people. Needless to say, a great many of these ideas are incorrect and if left uncorrected may result in deep and lasting false impressions and prejudices.

During the war OWI proved that the policy of simply telling the truth about America in extremely large doses, administered through various publicity mediums such as newspapers, radios, movies, etc., paid off in good will and an increased understanding of what the American people were like and of the so-called American way of life. Following the end of the war, the State Department, recognizing the services of OWI, decided to continue the program on a modest basis. Each year, however, a bitter battle must be fought in Congress to obtain the necessary funds. This year the appropriation has been cut so low that only a bare outline of last year's program will be possible.

For a while Congressional opponents argued that a government information program was against the American concept of a free press, that such activities, moreover, would compete with existing commercial news agencies, movie companies, etc. This argument has now pretty well lost any validity it may once have had, since last year's program and the plan for this year's adequately showed that USIS activities would be complementary and supplementary to those of American commercial outfits engaging in the news business. The American Society of Newspaper Editors studied the whole idea carefully and in general reported favorably upon the State Department's plan.

* * *

DESPITE the seeming implication that Congress has no interest in the outside world and America's position in it, US$400,000,000 has been authorized for the securing of American interests in Greece and Turkey. Meanwhile, it appears likely that some four or five billions of the taxpayers' money will be expended upon the Marshall Plan for erecting a non-Communist bloc in Western Europe. A great deal has already been spent in China and—if the Wedemeyer Mission turns out to be what it is rumored to be—a few more billions may be spent in Asia. Congress apparently is willing to dish out these astronomical sums to gain its aims throughout the world, but is not willing to let loose of a few paltry millions to explain to the people involved, or to the rest of the world, just what it is up to. It is of course obvious to say that a few millions spent wisely and regularly on enlightened information work throughout the world might make such huge bribes less necessary in the future.

Another indication as to what we may expect in the future was pointed out recently in a dispatch from Tokyo by Scripps-Howard's William Newton who told of a full-scale Russian propaganda campaign, waged by radio and smuggled magazines, books, etc., designed to discredit the Americans in Japanese eyes. The Russians, Newton said, concentrate mostly on radio propaganda and are known to be making "five Japanese-language broadcasts daily which originated in Moscow and are beamed to Japan through a huge Soviet relay station at Khabarovsk, Siberia. Each broadcast is simultaneously on four short wave frequencies and six to

eight standard broadcast frequencies." The Russians, it would seem, are not pinching pennies in their efforts to present their side of the story to the Japanese, or, for that matter, to other countries of the world.

During the war we found that no other country was voluntarily prepared to tell truthfully America's story—the story of American production, of the American fighting forces. We had to do it ourselves, since even our allies belittled America's contribution. Naturally no allied government cared to tell its people how much it depended upon American aid. Many of them, instead of giving us any credit for what aid they did receive, spent their time carping to their people about the niggardliness of the Americans and how it was just because we were so perverse as not to grant the necessary war material that the war continued.

We had several examples of this here in China during the war. The news agency of a certain ally never failed to overlook an opportunity to belittle the American war effort and to play up any unfavorable news from the United States, such as the Detroit riots, which were described to the Chinese in Chungking under the headline, "Race Riots Sweep America." We recall reading an editorial in a leading official Chinese paper during the dark days of 1944 when the Japanese were hammering at the gates of Kweiyang and the Chinese armies were in full flight which stated that the only reason the Japs had not been defeated long ago was because Washington had unreasonably refused Chungking's request for 10,000 bombers. The paper conveniently forgot to mention that even if so many bombers were available there were no airfields for them in China, not enough gas to fly them, etc., etc.

The basic motives which cause governments to make misrepresentations during wartime do not disappear with the war. If anything, such activities may be stepped up in the post-war world when our allies and others are not so dependent upon our aid. America's story will be told to the peoples of the world by their respective governments, or by nearby governments, such as the Russian one. Does Congress think that the American story, as told by Moscow Radio is the one we want large sections of Asia and Europe to hear and—with no refutation—to believe? Perhaps our Republican Congress is not that stupid, but it does want to save money.

The New Paratroopers

SIXTEEN Conscripts From Hupeh Province Jump Off Train On Way to Shanghai For Training. Four killed.—*Lih Pao, July* 31, 1947.

Armchair Strategy Banned

WHILE there is no indication yet that the National Government contemplates moving the capital back to its war-time site at Chungking, we seem to be headed backwards in several other respects which evoke memories of Chungking days.

First indication came with a recent *China Press* with its screaming banner "TAIAN RECAPTURE SAID IMMINENT" — absolutely the first formal indication anybody in Nationalist China had that the Communists had captured the city some time ago. This instance of a return to wartime suppression of military news must have had a nostalgic scent to many who during the war years in Chungking became accustomed to going to bed at night—having read that day's communiques—fully confident that the Japanese were being held in a ferocious battle some thousand miles away, only to find next morning that Government commanders were confidently predicting the recapture of a city perhaps only 900 miles away. Fortunately, the war ended before we wakened to find ourselves behind the enemy's lines.

Further proof of the return of the not-so-good "old days" came to our attention this week when we wandered into a restaurant near our office and observed two large, newly-installed notices at each end of the bar. A rough translation says, "It is notified by the Gendarmery Headquarters that, by order of the Supreme National Defense Council, the discussion of matters concerning the secrecy of military activities and national defense in public places is strictly prohibited."

If enforced, this will be a serious blow to frequenters of Shanghai bars, one of whose favorite pastimes is speculating upon the Civil War and its outcome. Also, it puts a blanket upon the activities of the city's armchair strategists who, when asked for an opinion, will have to do a fast double take to see whether or not they should answer such a question. No longer will it be possible to sit in their favorite restaurants and draw military plans upon the table cloths. Further, their guesses—even when obtained in the privacy of their homes—won't be worth much if they are forced to base their predictions upon war news days or weeks old and which has little or no relation to the actual situation.

Seriously, the whole thing appears ridiculous. If the Government now considers the Civil War a full-fledged fight for existence, which it must if it is reverting to such discreditable wartime practices, it also shows that Nanking itself really does not believe the fine statements issued periodically by its top military and civilian leaders to the effect that the "bandits" will be eradicated in "three months." Withholding news of reverses, until their announcement can be covered up with news of actual—or impending—victories, and banning public discussion of the war situation is childish. It obviously cannot be justified on the basis of withholding vital information from the enemy, because if the enemy is in a town, he darn well knows it. The only honest explanation is that it is a morale factor for the rear areas; the Government is afraid that news of defeats or speculative conversations centering around the generally poor military situation may upset the civilian population. If that is true, then Nan-

king is in far worse shape than most of us have suspected.

We would suggest that the staff of phony military communique writers and the numerous gendarmes who obviously will have to be detailed to all the city's public places to censor the patrons' conversations, be sent to the front to do something concrete about winning the war.

India Is Free!

THE ceremony which transferred Britain's 200-year-old responsibility for India to the people of that country took barely 15 minutes.—*Reuter's.*

It will take another 15 minutes, no doubt, to transfer freedom and independence to the people of that country.

The Loyalty Tests

IN recent issues we noted the two dangerous trends current in American life: the drive against labor and the militarization of foreign affairs and science. Now we reluctantly note another trend just as dangerous and directly connected with the two foregoing: the loyalty checks.

Following the hysteria which blossomed into a full-sized scare, and at one time led to the proposal that the Communist Party be outlawed, an energetic campaign has been launched by the House Un-American Activities Committee, headed by J. Parnell Thomas, against not only Communists, but their fellow travelers, sympathizers and liberals in general. The only drawback to this ambitious program is that together with the Communists and fellow travelers a lot of progressive and liberal people are getting hurt. Together with the water out of the tub goes the baby.

I. F. Stone, writing in *PM*, testifies that "To go back to Washington is like going back into a country under the shadow of terror. People in the Government literally are afraid to talk. Not just the minor employees scared stiff because somebody may find out that they once contributed to the cause of Loyalist Spain, but top officials worn to a frazzle by Congressional snarling about Reds." He adds: "A Government of scared yes men is what we are heading for."

While the workings of the House Un-American Activities Committee have been un-American all along, the State Department now seems to have joined in the fun. Recent discharges of government employees on short notice, without charges preferred, and without the right of appeal, parallel the work of the Thomas committee, which has been consistently gestapo-like.

Testimony before the committee has verged on the fantastic. Henry Wallace, former Vice-President of the United States, and a man of the greatest personal integrity, has been accused of being a mouthpiece for the Communists, who are supposed to be manipulating his Progressive Citizens of America. Just because Dr. J. Robert Oppenheimer's brother taught in a Communist school in California (if he did), the eminent atomic scientist is under suspicion of Communist activities. David Lilienthal had to issue a special statement of democratic credo to clear himself of charges of being a Red. Edgar J. Hoover, who is candidate for heading the American Gestapo, reveals that he has some 2,000,000 people on his blacklist and it is to be gathered that only by the grace of God are they still walking the streets, free men.

This is certainly an un-American situation. According to Stone's testimony the standards applied to Federal employees are those of a police state, which operates on the axiom that it is better to have 99 innocent suffer than to let one guilty go free. People fired from Government employment don't even know why: it may be the budget, and it may be the *New Republic* they've been reading.

From out here it seems that an American Gestapo has made its appearance and is growing to be quite a lusty child. The traditional American conception of freedom of belief is being discarded and the question arises whether an American is still free to think and say what he believes to be the truth. The Un-American Activities Committee gives ground to suppose that this is an outmoded conception of freedom.

Naturally, the administration is duty bound to devise and maintain security measures, and discharge employees who are "poor security risks." But loyalty checks should not become a substitute for democratic procedure, otherwise one is led to suspect that the administration has lost faith in the American system of government and life. There is certainly no justification for presuming that the only way to uphold democracy is through undemocratic means. Dubious and totalitarian methods will add no cubit to the stature of American democracy.

It is a comfort to hear that there is a growing movement to prove that the Un-American Committee is both un-American and unconstitutional. So long as the majority of Americans hold on to their conceptions of freedom and human rights, there is no danger that the House Un-American Committee will supersede the Supreme Court, the Bill of Rights and the Constitution of the United States.

Ode To The Rising Sun

THE Tokyo *Mainichi* claims that the Manchuria problem promises to become more and more international in nature.

Uh-huh! We get the point.

The Economic Reform Plan

THE Economic Reform Plan drafted by Premier Chang Chun to become a permanent and all-round cure for China's economic ills has been widely commented upon in the Chinese press and, on the whole, the reception has not been too favorable. Several papers, while not rejecting the plan outright, have leveled some common sense criticism which largely nullifies the effectiveness of the plan, even if it is implement-

ed, or rather just because it is liable to be implemented.

This may sound like a contradictory statement but there appears to be a contradiction in the plan itself, if we can rely on the word of such responsible papers as the *Sin Wan Pao* and the *Ta Kung Pao*. (These papers say that the plan is comprehensive and comprises more than 100 articles, covering problems of agriculture, industry and commerce.)

The *Sin Wan Pao*, for example, notes that the greatest stress in the plan is laid on "banking reform." It argues that the plan's proposal to establish a bank in every hsien would only lead to an excessive note issue and a decentralization of the entire banking system, although admittedly agricultural credit would be expanded. The net result, the paper says, would be a deepening of the existing crisis through an intensification of currency and credit inflation.

The *Ta Kung Pao*, quoting the preamble and the conclusion of the plan, also testifies that the stress is laid on banking reform. The plan gives the impression of asserting that the Government has been unable to make both ends meet and develop industries because of *inadequate* currency and credit inflation, the paper says.

Both papers are critical, though mildly, of the merits of the plan, but there is more truth in their observation pertaining to "*inadequate* currency and credit inflation" than they realize.

Consider for a moment the problem of radically altering the current productive picture, whereby the Government finances would have to switch their dependence from currency inflation as a source of revenue, to the actual manufacture and distribution of goods as a source of wealth. This, obviously, cannot be achieved in a short time, and therefore cannot be regarded by the Government as an answer to the pressing economic problems. If the economic reform plan were to stress the development of productive enterprises instead of the reform of the banking system, as it does, the entire project could very well have been classed in the utopia category. On the other hand, the reform of banking institutions, through the establishment of more banks, gives the Government a fine opportunity to expand credit in rural areas, and thus finance agricultural production, even if this process involves the further devaluation of the fapi. The only way to achieve *immediate* results is through the improvement of the organs of currency and credit inflation, and definitely not by the development of productive enterprises. Only then will a temporary respite be gained from the current crisis, but at the expense of deepening the general economic crisis.

The plan in question was passed by the State Council on August 1, and it cannot be considered a radical break from past financial policies: it is merely an intensification of a previously favored process. Therefore, the only erroneous thing about the plan is its title: it is not an economic reform plan, but a financial improvement plan of already existing and well-tried methods.

The plan is based on the premise that "inadequacy of banking facilities," leads the inadequacy of currency. To get more currency, the number of banks should be increased. With the added number of banks, everybody, especially the Government, would have more money and credit. If in the process inflation is intensified, that's just too bad! The immediate and pressing problems will have been solved, and what happens after that can be handled by another plan.

There are two possibilities: either the plan is implemented, and then inflation will become more acutely palpable. Or, of course, there is the possibility that the plan will not be implemented.

25 Years Ago In Millard's Review Of The Far East

Discrimination

August 12, 1922.

Since the beginning of this series of articles in the *Weekly Review* on June 24, the writer has received a number of letters from Americans and Chinese dealing with the subject of Chinese official discrimination against legitimate American interests established in China. Many of these letters have been most interesting and enlightening and it is my purpose to refer to some of them since they have a direct bearing upon the subject, "Can China Afford to Trifle with American Friendship?"—*Opening paragraph of fifth article of series dealing with American-Chinese relations.*

* * *

Seamen Strike

What has been expected in shipping circles in Shanghai for some time, culminated on Sunday when the local branch of the Chinese Seamen's Union declared a strike. Thus far only Chinese companies engaged in the Yangtze and coastwise trade are affected. It is believed the present trouble dates back to the conflict of Hongkong seamen during the first of the year, which resulted in a general walkout and an increase in pay to the seamen. Shipping and freight were seriously endangered as well as passenger boats and the tieup caused by the strike brought about a most grave situation in South Chnia and Hongkong.

10 Years Ago In The China Weekly Review

War In North

August 7, 1937.

Warfare in some of its deadliest forms raged between forces of Chinese and Japanese in Tientsin, July 29, the Chinese attacking the Japanese Concession and the Japanese making telling use of scores of bombers, which, with incendiary missiles set fire to a large part of the northern section of the Chinese City.... Peking awoke in the morning of July 29 to find that events had taken a dramatic turn overnight. The din of battle had ceased, the Chinese troops had silently evacuated the city and all defense works were being pulled down....Peking was in Japanese hands.

* * *

Generals Killed

General Chao Teng-yu, Commander of the 132nd Division of the 29th Army, and Major-General Tung Lin-kou, Deputy Commander of the same Division, were killed in a sanguinary encounter in the Tuanho battle July 28. Their remains were encoffined at the Lungchuan Temple....General Feng Yu-hsiang, the "Christian General," has written a poem of the two generals who were killed while directing operations against Japanese troops in the suburbs of Peking. The last two lines read:

"Wait for me there,
I will join you in the near future!"

China's Textile Trade, Outlook And Jap Competition

BEN Y. LEE (李炳郁)

CHINESE textile manufacturers and merchants are deeply concerned over the reopening of foreign trade with Japan on August 15. What export policy the Japanese Government will adopt, is causing our manufacturers considerable worry. Cotton cloth and other textile fabrics come foremost in the list of Japanese exports and they are likely to flood the Chinese market as they did in prewar years. Cotton spinning and weaving industry is regarded as the key to Japan's economic reconstruction. The Bank of Japan will do all in its power to assist the rehabilitation of this important industry. In order to step up production, workers in Japanese mills are being offered a variety of bonuses.

Japan's ultimate capacity of 4,000,000 spindles with an intermediate objective of 3,500,000 is causing our manufacturers great concern. Her current production of cloth is over 50 million square yards monthly. The Japanese Government has allocated 158 million square yards of cotton cloth for export to Far Eastern countries for 1947. At present the prime consumers of Japanese piecegoods are the Netherlands East Indies and the United Kingdom. Through May this year these two purchasers bought 130 million square yards of cotton goods from Japan. Shipments of cotton yarn through May totalled 13 million pounds, most of which went to Burma and Hongkong for the relief of the textile shortage. Ninety percent of the cotton textiles exported by Japan were produced from stocks of American cotton shipped direct from America.

Ominous signs of Japanese competition are foreseen with fear in China. Due to heavy damage by the disastrous war, China's textile industry is not yet recovered. Should China allow Japanese cheap cotton textiles to flood her market without taking some protective measure to safeguard herself, her textile industry, which has just emerged from her war sickbed, will be eventually doomed to collapse. At present the Chinese Government has not yet adopted any concrete plans to meet the emergency while Chinese textile manufacturers are totally unable to compete with the Japanese on account of high material and labor costs, constant lack of power and transport facilities.

China At Disadvantage

How the Chinese Government is to check any raising of the Japanese textile industry above a level compatible with Chinese security, is a burning question. The Government may curtail the Japanese manufactured textiles of imports to an unimaginable degree or impose extra import duties on Japanese textiles. As China's textile industry has been greatly handicapped by the continuation of the internal war, an excessive import would deeply affect the well-being of the industry. The resumption of trade with Japan will bring nothing but depression to the textile market in China. "Don't Open Trade To Japan" is being advocated by the press all over the country. As soon as trade is begun, it is feared, the Chinese public will buy cheap textiles, irrespective of their country of origin.

As compared with defeated Japan, China is in a disadvantageous position. Machinery and equipment in Chinese mills are badly worn out and there are no immediate replacements in sight. Machinery in most mills is too old to manufacture goods of quality and quantity. It is feared that SCAP might supply defeated Japan with modern machinery in the immediate future. In some quarters the fear is aggravated that Japanese current production is being piled up and will be dumped on the Far Eastern markets at once.

In contrast with the Japanese, who, from the educated to the manual laborers, are working for their country at minimum pay in order to produce goods low enough in cost to invade the world's competitive market, the Chinese seek personal gain, disregarding China's welfare. Profiteering, hoarding and speculation are considered business among Chinese merchants nowadays, while the idea of "the more they get, the more they want" is deeply ingrained in the Chinese worker's brain.

Communists Also Blamed

Mainly due to communistic agitation and propaganda, factory workers are restless and are ready to strike on any flimsy pretext. In order to pacify the workers the Government always shows a conciliatory attitude towards them. Nowadays if one wishes to run a factory successfully, one must study the psychological behavior of the worker as a requisite of factory management.

The basic wage for Chinese factory worker has been increased by about 60 percent since V-J Day. Prior to the war the average factory worker received about 50 cents a day of 12 hours, now he gets a basic pay of CNC$1 a day of 10 hours. The High Cost of Living Index for June was 25,300 for workers and 19,700 for salaried men. Technicians and mill staffs, too, receive from three to five times more than the average college graduate working outside of the textile factories. Besides, mill workers nowadays have many more holidays with pay than previously.

High labor costs may be explained thus: Prior to the war the average operating expense, including wages, salaries, power and other incidental expenses, for a bale of yarn of 400 pounds was not over CNC$30. But at present these items of expense total variously from $1,500,000 to $1,800,000 per bale, or, roughly speaking, an increase of 50 percent as compared with 1936. This calculation is based on the actual cost of living of 35,000 times the 1936 level.

Supply Inadequate

The recent phenomenal demand for cotton goods from the interior is due to the fact that during the eight long years of war, the majority of the population, especially the peasant and middle classes, were clad in rags. Since V-J Day the economic status of these two classes has been raised considerably, and being the principal consumers of piece goods they demand more cotton cloth per annum now than they did before.

The war hit China especially hard in the textile industry. Due to the shortage of cotton spinning machinery and supplies, prices of textile products are much higher compared to many other commodities, with 1936's level taken as a norm. Thus we can say decidedly that the difference in prices of different commodities is mainly due to supply and demand, and not so much to alleged speculation, on which we are accustomed to lay the blame. According to Chinese definition the speculator is an opportunity-seeker. If supplies of cotton textiles were plentiful, there would be little opportunity for speculators and therefore speculation would die a natural death.

華僑銀行分行上海
Oversea-Chinese Banking Corporation, Ltd.
Head Office: Singapore
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The following statistics show the diverse increases in cotton textile prices:

		1936 Average	July 23, 1947	Increase
1.	Cotton yarn, per bale, (Double Horse sp. brand) ..	$280.00	$12,000,000	34,000%
2.	Native cotton, Tungchow standard, per picul of 133 lbs.	32.00	1,800,000	56,000%
3.	Grey sheeting, 12 lb., Dragon Head brand	7.50	430,000	57,500%
4.	Rice, per picul	10.00	360,000	36,000%
5.	US$	3.30	40,000-42,000 (black market)	13,000%
6.	Wheat flour, per bag	3.60	110,000	30,000%
7.	High Cost of Living Index for workers		25,300 (for June)	25,300%

The present situation of Japan's and China's cotton mill industry is briefly given as follows:

		1947	
		Japan	China
1.	Current monthly production of cotton yarn in bales of 400 lbs.	70,000	230,000
2.	Current monthly production of cotton cloth in sq. yds.	61,000,000	100,000,000 (estimated production by weaving sheds attached to spinning mills only)
3.	No. of cotton spindles	4,000,000	4,500,000
4.	No. of spindles in operation	3,500,000 (intermediate objective)	4,000,000

Imports of cotton goods into China from 1931 to 1936 inclusive, average about 40,000,000 Gold Units of which Japan shared about one-half or about 300,000,000 square yards annually. On the average, each grown up person in China needs at least 10 square yards of cloth per annum. Then how can a monthly production of cloth of 100 million square yards be enough to supply a population of 450,000,000? Since the production of textile goods in the country is insufficient to meet the public demand, the Government should regulate the consumption of the goods and should not restrict the prices so low as to handicap the normal production.

Textile Imports with Percentage Share of Japan from 1937 to 1939:

		1937	1938	1939
1.	Cotton Piece goods	78.27%	74.96%	71.10%
2.	Sundry Cotton Manufactures	45.51%	40.13%	43.08%
3.	Silk, Art. Silk and Manufactures thereof	70.27%	87.48%	65.76%

China's Principal Textile Exports from 1937 to 1939 were as follows:

		1937	1938	1939
1.	Cotton Shirtings & Sheetings	$2,743,700	$7,530,000	$20,569,000
2.	Nankeens	2,013,000	1,617,000	3,089,000
3.	Unclassified Cotton Piecegoods	2,464,000	2,441,700	7,685,000
4.	Silk Piecegoods	4,240,000	3,846,600	6,267,000
5.	Cotton Yarn	4,844,600	22,883,000	31,767,000

Percentage of Japan's Textile Exports to Far Eastern countries as follows:

	1931	1933	1935
Total	1,412,071 (000 sq. yds.)	2,088,383 (000)	2,715,980 (000)
China's share incl. Manchuria	19.63%	13. 94%	10.24%

China's Imports of Textiles are as follows:

		1946		1st Quarter of 1947	
		Weight	Value (000)	Weight	Value (000)
1.	Cotton Goods, Grey	152,563 Meters	$ (xx) 364,956	232,064 Meters	$ (w) 381,296
2.	Cotton Goods, White or Dyed ..	42,755,000 ,,	35,473,000	1,596,956 ,,	2,683,229
3.	Cotton Goods, Printed	3,713,000 ,,	2,980,670	297,887 ,,	400,847
4.	Miscellaneous	4,822,000 ,,	3,621,550	185,190 ,,	273,126
5.	Cotton, Cotton Yarn & Cotton Thread		298,383,536		47,973,228
6.	Sundry Cotton Manufactures ..	1,955,000 Kilo.	5,863,189	339,000 Kilo.	2,136,234
7.	Flax, Ramie, Hemp, Jute, Wool & Manufactures thereof		83,136,000		9,768,993

(xx) The equivalents of CNC$1,000, based on the Government's average official rates of exchange was US$.29674 during December, 1946.

(w) The equivalents of CNC$1,000, based on the Government's average official rates of exchange was US$.08197 during Jan. Feb. and March, 1947.

China's Exports of Textiles are as follows:

		1946		1st Quarter of 1947	
		Weight	Value	Weight	Value
1.	Textile Fibres, incl. silk, cotton, hemp, jute,etc.....		$36,125,775,000		$19,330,773,000
2.	Cotton Yarn, Knitted Goods, incl. Lace, Cross-stitch work, Trimmings, etc.	—	14,582,339,000	—	4,393,226,000
3	Piecegoods, cotton and silk	210,180 Kilo.	15,953,640,000	76,875 Kilo.	20,754,000,000
4.	Other Textile Products	—	8,742,729,000	—	5,305,159,000

China's Textile Imports and Exports Compared:

	1946	1st Quarter of 1947
Total Imports	$429,796,900,000 (yy)	$63,616,950,000 (yy)
Total Exports	75,044,480,000	49,783,170,000
Excess of Imports	$354,752,420,000	13,833,780,000

(yy) These figures do not include the value of UNRRA supplies.

An analysis of China's and Japan's cotton goods production and prospective textile exports and imports:

	China	Japan
1. Ultimate capacity in 1948, cotton spindles in operation	4,500,000	4,000,000
2. Ultimate production of 20's yarn in bales of 400 lbs. for 1948. In day and night shifts one spindle produces ¾ bale a year	3,375,000	3,000,000
3. Less 10% waste in weaving operations taken into calculations, equals	3,037,500 bales	2,700,000 bales
4. Less 10% of yarn for other uses than for making cloth, equals	2,713,700 bales	2,430,000 bales
5. Production of 12 lb. sheeting in bolts of 40 yards	90,000,000 bolts	72,700,000 bolts
6. No. of yards	3,600,000,000	2,900,000,000
7. Population	450,000,000	73,000,000
8. At 10 yards per capita per annum, equals	4,500,000,000	730,000,000
9. China's deficit in yards (imports)	900,000,000	
10. Japan's surplus in yards (exports)		2,170,000,000

Japanese mills spin finer yarns for export purposes. Their production is generally higher with lower labor cost than the Chinese mills.

Although China at present is facing a shortage of cotton textiles, she must also remember that Southseas trade is essential to the economic welfare of the country. So business is business. Despite unfavorable conditions at home China is given the opportunity of a life-time to take over a large share in the trade of the South Sea territories. British and India are exploiting these markets and are shipping low-priced articles to supply the urgent needs of the people there. The Japanese have entered these markets again. Actual shipments of cotton textiles of 158 million square yards to Siam, Malaya, Borneo, Philippines, Indo-China, Burma and Hongkong were under way during June.

In order to compete with the Japanese in The South Seas trade and expand the textile industry to the full extent, we require the following:

1. More up-to-date machinery.
2. A larger domestic cotton crop.
3. Lower labor cost.
4. Government assistance.
5. Improved methods of factory management.
6. Higher production.
7. Restricted consumption.
8. Coordination and cooperation of textile manufacturers.

When these handicaps are overcome and requirements are satisfactorily met, we should not be afraid to face the Japanese competition—at home and abroad.

Traditional Family Ties Breed Nepotism And Corruption

DUNCAN LEE

(Special Correspondent, The China Weekly Review)

THOUSANDS of years ago, an absolute monarch came to the throne of China. He called himself Shih Huang Ti (Emperor The First) and he ordered a great wall to be built to guard against aggression. He also commanded that all scholars and intellectuals should be buried alive, in order to make sure, once and for all, that no one would threaten the monarchy which he intended to preserve forever. Observing his glory and extravagant way of life, a rascal named Liu Pang asserted: "That is the way a man should act!" Another man called Hiang Yu, said: "I must take his place some day!"

After the great monarch died his son succeeded him and the kingdom was thrown into great chaos. Liu Pang and Hiang Yu rose up in rebellion, but they were bitter enemies and they both desired the throne. However, Liu was successful and returned to the city singing: "The wind blows, the clouds fly, with power worldwide I am bound homeward, where all brave warriors shall rally I: and all four boundaries will they guard." And soon he had all the bravest volunteers guarding his empire, which survived for hundreds of years.

History Of Struggles

Since then, China's history has been punctuated with such struggles for power. She has been united for certain lengths of time and then split by warring factions. The "hereditary system and family honors" were so deeply rooted in the Chinese mind that everyone respected these honors even if the dynasty should be toppling to its doom.

When the Han Empire, founded by Liu Pang, was coming to its end there were many who wished to succeed the last king and they all endeavored to find excuses, such as family ties and kinship. Chu-ko Liang, the ancient, famous scholar and military and political strategist, would not have cooperated with Liu Pei, Emperor of the Shu Kingdom, had he not emphasized that he was one of the last king's kinsfolk.

A glance at China's history, beginning from the Shih Huang Ti down to modern times, will show that almost all Chinese official activities have been conducted around the so-called "Kindred Center." The Chinese, for the most part, are extreme individualists bound by family ties primarily, and sometimes by intimate, personal friendship. He will rarely own that a stranger, even though a fellow citizen, has the same basic civil right to live as he.

This is the reason the Chinese people, especially those in urban areas, live a life that reveals indifference, contempt, ruthlessness and cruelty for those who are not of their clan. How regrettable it is that they have forgotten most of the ancient virtues taught by their sages thousands of years ago!

Family Attitude

This coldness changes, however, when they are within the circle of their family and, to some extent, with their close friends. Love, kindness,

and courtesy appear at once, depending in degree upon the relative's generation and environment, for the favors must vary accordingly.

In a village, the family members associate with each other rather than with other fellow villagers; in a hsien there may be slightly more contact with unrelated neighbors; but this feeling stops at the border of the province. It is certain that all favoritism and nepotism have their origin in the family idea. It is well known that the Chinese have an intense love and worship of their ancestors.

It seems an almost impossible task to unite the Chinese people in national affairs, because the numerous family cliques are so tightly bound together, and also because any tenderness becomes less and less obvious as their scope and environment develop and enlarge. These two facts undoubtedly lessen the chances for unity. Nowadays, although many curse and deplore the damage caused by the family system to every aspect of Chinese social, political, economical and educational life, nothing has yet been done to effect the cleansing of this poison from their minds.

In view of this situation, is it not surprising that once one member of a family attains an important position, his kinsfolk and friends will gradually infiltrate and take up key posts until finally the office, or whatever the concern may be, has become their household. Thus, one family or friendship clique will contact another and will strive to obtain some "special relationship" with whoever is holding an office higher than their own. It would not be incorrect to assume that the entire Chinese officialdom is bound by kinship links and that the individuals are working, not for the public, but for their superiors in office.

Magic Circle

This magic circle composed of a chain of personal relationships rather than of personal contacts and public interest is not easily broken down by anyone not related to the important personages in the quarters concerned. For this reason, quite often even a small position cannot be occupied by a stranger, though he may be a remarkably capable person. An application for a position sent by an individual will almost certainly be rejected, whereas a letter from a high official accompanying the application and recommending him as a close relative, will serve the purpose very well. By so doing, the recommender is accorded a favor for which he must pay in a similar way when requested to do so.

In China, we often hear the passwords, "Tien-li, Kuo-fa, Jen-ching," which mean respectively, "Principle of Nature, Law of the Nation, Feelings of a Person." These are the methods used by the Chinese to settle most matters. Jen-ching really stands for favoritism and rates first when things are to be settled, although it is placed third. If, for example, a man gets into trouble and is proved guilty, he is not taken into custody to be tried in a court. The first consideration is whether he has wealthy or influential friends or relatives who will come and say, "Oh, he is my relative, pardon him, please. I am asking a favor of you." If he is in this happy position, all will be well.

This is the prime reason for so many cases of bribery, graft, misappropriation, embezzlement, favoritism and nepotism, which should be held responsible for the general corruption in Chinese officialdom. It is common in China for an indisputable civil right to be realized through personal channels. It is, therefore, only natural that while many fine and capable young men face unemployment, there are many outcasts who may hold concurrently a number of important positions which enable them to play important roles in public affairs.

Salary Unimportant

In this country, to attain an important office means power and influence; power and influence mean money; therefore, to the chief man, salary is unimportant although many of his subordinates must rely on it. Nowadays, it seems odd that an honest official is able to amass large amounts of money, in view of the present ever-soaring commodity prices in contrast with the low salaries prevailing through China. But I was told recently by an American newspaperman that a certain high official's wife could afford to spend US$150 per day for rooms in an American hotel and that he spent many millions of CNC on a feast in Shanghai although his salary would enable him to buy only one bottle of foreign liquor.

To him, and to others of his ilk, it does not matter whether his poor country is at war or is peaceful; whether the countless refugees from famine, floods and wartorn areas eat or die of starvation. So long as his "paradise" is closely protected by special privileges of family blood ties and by the favoritism of his friends he is safe and unaffected. So long as he can guard his house and office heavily and clear the street of the common people he will smile with a sense of honor, glory and self-satisfaction.

As we have observed, in Chinese society there are numerous circles which in turn are girt by many other larger circles, around both of which countless officials, officers and public functionaries rotate. The royal road to participation in these circles is as follows:

A, B, C Of Success

(a) Bribery, bragging and flattery.

(b) Effecting a blood tie with some big shot by marrying his daughter, niece, etc.

(c) Gambling preferably mah jongg, long recognized as China's national gambling game.

These are the A.B.C. of success in China's officialdom.

If some means of checking this unwholesome state of affairs is not found, the present rampant corruption, misgovernment and inefficiency will result in a far greater disaster than has hitherto been seen. The following suggestions should produce good results, if properly applied:

(1) Abolition of nepotism and favoritism. The ancient Chinese virtues must be revalued and encouraged. Everyone should be told that the present malpractices are shameful and detrimental to both the giver and the receiver. Anyone found guilty of dishonesty or incompetence should be punished by dismissal irrespective of whatever close relationship he may have with any big shot. The present examination and supervisory system, which were Dr. Sun Yat-sen's five-power constitution features, should be promptly strengthened, and a scientific, well-tested and elaborate personnel system should be established. It should be considered an honor to abide by the law, instead of a shame, as it is now. Thus, a New China would be born out of chaos and disorder, ruled by law instead of by force and political machinations.

(2) Removal of the superior attitude. There has always been such a wide gap between the ruling and the ruled classes that the *lao pai hsing* regards the ruling officials as men to be respected unconditionally but not to be approached. This attitude has been created and encouraged by the officials as they cherish the sense of superiority it gives them towards the ruled. When China is introduced to democracy, this feudal way of thinking must be the first casualty. Then it will be the official's most important duty to personally familiarize himself with the common people's conditions and there will be harmony and cooperation between the two classes. The heavy armed guards for civil offices and sometimes for the private dwellings of high officials must be discontinued. Only then will complaints from the *lao pai hsing* be heard.

(3) Suppression of Gambling. No one knows just how much money and time are spent by the Chinese on playing mah jongg. Gambling is the only common diversion of the Chinese people in their leisure time. Go to any home, middle-class or wealthy, on Sundays or holidays, and you will hear the noise of gambling, and often you will find the four players continuing far into the night or the next day and occasionally for several days and nights in succession. At present, it is a drawback for a young man to be unable to play mah jongg, because besides its use as a means of entertainment, it is a key to acquiring influential friends and becoming intimate with new friends, and everything, good and evil, can be done through familiarity and intimacy with high officials.

For the sake of our national honor, for the sake of future national reconstruction which requires time and money, I want to shout: "Suppress this national evil as quickly as we can and make a strict law to forbid the playing of mah jongg and similar kinds of gambling. Gambling is like the smoking of opium, which has been a public curse in China for more than 100 years."

Jap Leaders Are Still Clever

DAVID CONDE

JAPANESE big businessmen are astute and possess an understandable desire to preserve their possessions and positions of economic power. This is natural but in postwar Japan it is fraught with certain foreboding. When the occupation of Japan first began it briefly threatened to destroy the monopolist's grip on Japan's economy but mere words promising destruction soon lost their potency. Utilizing time-tested methods, these leaders fought to retain their positions of domination and in a large measure they succeeded.

Accentuating and intensifying Japan's peacetime weakness, they have turned it into strength, securing benefits unimaginable one year ago.

Ridding the country of nearly all wartime anti-Allied hate propaganda and incriminating evidence before the American forces arrived in Japan, entertaining them in every way possible after they arrived, opposing and delaying all reforms, meanwhile propagandizing constantly for their long range objectives. And watching the international scene for evidence of Allied disunity; this was their program.

Their success can be judged by listing their accomplishments against the background of the U.S. State Department policy statement of March 1946: "No financial aid has been or will be provided by us for the rebuilding of Japanese facilities for producing exports; "and the September 1945 American post-surrender policy for Japan: "The plight of Japan is the direct outcome of its own behavior and the Allies will not undertake the burden of repairing the damage."

Among the benefits already secured are foodstuffs, including such delicacies as butter and pineapple juice, and candy bars for the children.

SCAP spokesmen have frequently stated that there has been little starvation in Japan and, in Tokyo alone, thousands of black market restaurants have flourished ever since the occupation began. Black marketing in food has never been controlled and available land within Japan, such as airfields and military sites have not been converted to the production of foodstuffs, although two seasons have gone by and there is an abundance of labor.

Fertilizer also has been imported in large quantities although Japan has, and will retain, chemical fertilizer plants, even after reparations are removed.

Raw materials, such as cotton, oil and salt, to be reworked into exports, have been imported by Japan on "open account" or on "terms to be settled later." Textile parts have been imported from the United States. SCAP experts have given assistance in export marketing, including the sending of representatives to various parts of the world to sell goods "made in Japan."

American State Department policy today favors Japan regaining her "traditional markets."

Visiting U.S. editors quote general MacArthur as saying that American policy was to reestablish the Greater East Asia Co-Prosperity Sphere without the military aspects.

Japan's original post-surrender fishing area has been expanded and larger and additional fishing fleets have been authorized by SCAP. Japan's traditional "boss" system still prevails whereby certain leaders exact tribute from all who wish to fish in "their" part of the ocean. Japanese newspapers have reported large quantities of fish being allowed to rot because of insufficiency in rationing and transportation.

Over the opposition of certain Allied nations, Japan was permitted to send a whaling fleet to the Antartic.

A litle-publicised loan of US$30,000,000 at 2¾ percent interest, due in 1976, was granted to Japan last August by the United States, to purchase trucks, roadmaking and communication equipment. It is reported that more than 10,000 trucks have already been delivered.

In March the Chief of SCAP's Foreign Trade Division went to Washington to urge the granting of a US$200,000,000 loan "from private or public American sources" to finance Japan's foreign trade and to "help restore Japan's private economy."

In April, it was reliably reported in Tokyo that officials in the Commerce and Industry Ministry were busy allocating a US$100,000,000 loan promised by the United States.

Technical assistance has been given both agricultural and industrial production.

The original Pauley Reparations program has been sharply curtailed by the Strike Committee recommendations and the emphasis now is not on what should be removed from Japan but on what she should be permitted to retain to "maintain her economy" and "pay for imports." After a lengthy propaganda campaign had been conducted by Japan's leaders, in speech and press, on the industrial needs of Japan and how "uncertainty" over reparations was causing economic paralysis, the Strike Committee was brought to Japan at SCAP's suggestion, to reconsider the whole question. On its return to Washington the Committee urged that reparations from Japan should be reduced "far below" the recommendations contained in the Pauley Report.

The Far Eastern Commission in April selected the period 1931-34 as "normal" years which Japanese industry should use as a yardstick for their future production. Chinese critics say this period was a time of expanding Japanese production based on the seizure of Manchuria and in anticipation of new Chinese "incidents."

Japanese leaders also secured approval for an Election Law change, which, in the opinion of Tokyo observers, virtually amounted to a rigging of the recent election in favor of the two large, extremely conservative political parties.

Japan's leaders have been able to delay the execution of the very mild, so-called Zaibatsu dissolution plan, supposed to break up the big monoplies and they have been able to continue the practice of subsidy payments to nationally important industries. Critics say that subsidies in the past to the Mitsuis and Mitsubishis were the means of creating monopolies and a large, unsound and unbalanced economy in Japan.

Perhaps the greatest achievement of Japan's astute leaders has been in inflating the cost of the Occupation so that it reached the alarming sum of nearly 50 percent of the total national budget. By also delaying production recovery, they created an economic morass which sucked SCAP in. General MacArthur, fearing the political consequences of this manufactured crisis, was maneuvered into increasing economic aid to Japan and to strengthening the hand of the reactionary leaders who had brought this clever scheme to fruition.

It was out of this situation that MacArthur designated Japan as a "bastion against communism," carrying the implication that it promised additional aid to assure strength to resist the "enemy." To secure this bastion internally, last July SCAP approved the request of Japanese leaders to reinstitute the hated police-spy system, enabling plain-clothes spies to attend trade union and other meetings and also to examine the "thought tendencies" of any group, publication or individual in the land.

Reflecting this atmosphere, labor rights have been whittled down, the

Entertainment Policy Of Jap Banks

IN last week's issue, David Conde's article on the origination of American policy in Japan, erroneously contained a paragraph which said that the Industrial Bank of Japan did not have a policy of entertainment for the Occupation Forces. A correction is hereby made to the effect that as stated by the Sumitomo official, the Industrial Bank of Japan did have such a policy and fared extremely well, while the Hypothec Bank, a semi-Government bank, did not have such a policy and did not fare so well as the other bank.

right to strike was denied by SCAP and SCAP's Labor Section has told Japanese labor that it should not engage in political activities.

On the grounds of preventing unrest SCAP has approved an enlarged and armed police force and Tokyo anticipates that a further enlargement will shortly be granted. Many of the new police are former soldiers.

General MacArthur stated in March that one method the Japanese could use to "proteect" themselves when the Occupation forces departed would be to "have a small military establishment."

Major Reforms Opposed

During the time Japanese industrial-governmental leaders secured these concessions from SCAP, they fought every major reform proposed by SCAP. These included Land Reform, the "purge" of war criminals from government and business, the Zaibatsu dissolution, the cancellation of War Indemnities due large war contractors (which they circumvented through a tricky assets appraisal device and by securing "reconstruction loans" from Government banks). They also fought the enactment of a War Profits Tax, the new Constitution and the democratization of the schools and the police. They also failed to enforce the ban on prostitution.

During this same period Japan's leaders have planned the future. They have drawn up plans to streamline and repair Japan's roads and to re-zone and rebuild modern fire-proof cities. They have drafted a special trade plan to integrate all Asia, a three-year textile expansion plan, an increased silk production plan and have worked out a shipbuilding program based on Government subsidies. They have established a school within the Foreign Office to train "democratic" statesmen and they have established associations to promote "friendship" with the United States, China and other lands.

Today, the cry of "Banzai" is again frequently heard in the "Liberal" and "Democratic" party headquarters. Japanese leaders are well satisfied with the Occupation and Prime Minister Yoshida has said that he hopes American forces will stay in Japan "indefinitely." Now that the United States has adopted Japan's prewar anti-communism program, anything is possible, even a Japanese-American alliance.

Want Colonies Returned!

During the election campaign, Diet candidates electioneered on the streets for the return of former Japanese colonies, on the grounds that Japan "cannot live on these small islands." Since then, Foreign Minister Ashida has made a similar request.

Today Japan is in a uniquely favorable position. She now has the United States involved in the maintenance of her economy and in the re-establishment of her economic domination of Asia. The same old crowd still controls business but like government, it is now administered from "behind the screen." The "need" for expansion is once more being heard and plans for the future are being drawn up in Tokyo. What of the future? Have the Japanese given up all thoughts of expansion? The not-too-distant future will tell.

Attempt To Drive Reds From Japan Farmers Union Fails

HUGH DEANE

Tokyo, July 21 (Airmail).

A SOCIAL Democratic faction in the Japan Farmers Union led by Masaru Nomizo has failed in its month-long campaign to expel Communists from the organization. The JFU central committee, meeting here July 16, after long wrangling voted to continue the policy of permitting freedom of political affiliation.

Nomizo's faction, which was formerly considered centrist and even somewhat leftist, has moved steadily to the right since the JFU's convention in February, at which it cooperated with left wing Social Democrats and Communists in removing from power the rightist faction headed by Rikizo Hirano, present Minister of Agriculture. Hirano and his followers were expelled from the JFU and have since formed a rival body, the National Farmers Union.

Though Nomizo's anti-Communist move failed, the Japanese farmers' movement remains divided. Bitter disputes in the future seem inevitable.

The Japan Farmers Union, with a membership of about 1,300,000, is split over the Communist issue and over questions relating to agrarian reform. Minister of Agriculture Hirano's National Farmers Union, the instrument of bitterly anti-Communist rightwing Social Democrats, has only about 40,000 members, but is capable of a great deal of factional activity. In addition, a group of conservatives belonging to the Liberal Party have formed a preparatory committee for a third farmers union.

Even the Communists do not have a united approach to the farmers' movement. One element in the party believes that the more or less complete opposition to the U.S.-sponsored agrarian reform program has been ultra leftist, dividing the party from the mass of farmers.

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Chinese Writers Propose Democratic Internationale To Wedemeyer

C. Y. W. MENG

A STUDY of recent editorials and articles in the Chinese press suggests that the Chinese people have shown more interest in the Wedemeyer Mission to China than in its predecessor—the Marshall Mission. This is obviously due to the gravity of the situation—both Civil War in China and the American-Soviet tension in the west and east—for many Chinese, like the people of other nations, hope for a better life, and believe that another world catastrophe can be averted.

Of the numerous editorials and articles surveyed, none aroused more interest than the one which proposes the formation of a "Democratic Internationale" and presents it for the consideration of the American people.

In a leading special article signed by 10 writers, entitled "Our View Of The Present Situation And Our Policy," bearing the subtitle of "True Advice To The American People," *The Observer*, whose motto is "Impartial and Non-Partisan", presented the idea in question. The Magazine, it must be pointed out, has gained renown as one of the most outspoken, independent publications in the country.

Truman, Wallace Err

Following a brief analysis of American-Soviet relations since the conclusion of World War II, the writers who signed the article, characterized both the Truman Doctrine of all-out offensive against Communism, and the Wallace Doctrine of peace with Russia, as "dangerous."

"To talk at the present time and under prevailing conditions of 'Peace With Russia' is not only of little use, but is a direct aid in the spread of the fire of Communism. On the other hand, to give aid to reactionary regimes to combat communism is to aid in the resurrection of fascism, which is equally inadvisable. This latter course is liable to bring unfavorable reactions from liberals the world over. These liberals, moreover, may be forced under the circumstances to side with the left, and the situation may rather tend to strengthen, than weaken the Communists. Our efforts will not only be in vain, but we shall achieve a result diametrically opposite to the one we desire," these writers said.

They see two routes open to the Soviets in seeking the expansion of Communism. First, by direct expansion through force. This the writers call the "Hitler type of aggression." Second, by indirect expansion through the assistance of the Communists in instigating civil war and revolution in various countries through the usurpation of political power by the communist party.

But viewed from the point of the Stalin-Stassen and the Stalin-Roosevelt (Elliot Roosevelt, author of *As He Saw It)* interviews, the writers are quite convinced that the Soviets are unlikely to resort to the first course of action. They pointed out, however, that with the recent alleged organization of a Provisional Committee for World Revolution, tantamount to the revival of the Communist Internationale, the trend of Soviet action is not difficult to perceive.

World Civil War

Therefore, they averred, although the danger for a headon Soviet-American clash may be removed, the possibility of the outbreak of civil war in various countries is truly great. For this reason, they hold, World War III may not take the form of a large-scale conflict, but may spread through civil war throughout the world, which will convert the globe into a World of Civil War.

"The Internationalization of civil war, where the atomic bomb has no chance of being used, is the second special feature of World War III fomented by the Soviets," these writers hold.

Under these circumstances, the resort to reprimand, hot debate in assembly halls, the invocation of the veto power, give-and-take, and even to assistance of reactionary regimes in their fight against Communism is of no avail. "Throughout the world, the reactionary regimes have alienated the people by their corruption. And to give further aid to such regimes is to be opposed to the people," the writers declared.

According to their view, the American diplomatic mission should not only continue to maintain diplomatic relations with the various countries, but it must seek a formula to promote closer relations between the American Government and the liberals and their parties throughout the world. This, in fact, would be the formation of a "Democratic Internationale."

Only by supporting liberals through the formation of this internationale, can the threat of Communism be removed, they said.

Liberals Hard Up

"Liberals are hard up in every part of the world. In their opposition to reactionary regimes they even resort to siding with the left. They are a powerful force, however, and if the American Government can unite this powerful force, American policy will dominate the world."

Furthermore they believe that the Chinese Communist Party would not have emerged in China, but for the existence of the Communist Internationale 20 years ago. "Unless the Democratic Internationale is formed, there will always be only two powerful parties in China: the Kuomintang and the Communists. Without the economic assistance of democratic America, the outbreak of the New Revolutionary movement, is impossible for the moment.

They quoted professor Chang Tung-sun, who said that if America can cease aiding the reactionary regimes it would be possible for the liberals to be closer to the Americans. Unless American can help these liberals to form a powerful party, a new tide of super-Marxism will sweep China.

The New Revolutionary Movement already has been mentioned by Ambassador J. Leighton Stuart, who said that China needs such a movement. "We must not take the Ambassador's remark as just plain talk, and we sincerely hope that his idea will be embodied in American policy toward China," they wrote.

The proposal advanced by the 10 writers has already gained adherents, and in the July 26 issue of *The Observer*, Professor Wu Shih-chang, devoted a special article to the subject. He agreed that the rise of liberalism outside of he KMT and the Communist Party can stop Communism and the only way to nourish such a force is the formation of the Democratic Internationale.

U.S. Leadership?

Another article in this connection, written by an American-returned student, was entitled: "Can The U.S. Lead The World?" Dr. Ho Yung-chi, writing in the *Ta Kung Pao* of July 20, came to the conclusion that the United States is fully qualified to lead the world, and is, in fact, the only country which has the resources and the means of production to do this. There is one exception, Dr. Ho believes: lack of political ideas concerning world leadership which would readjust America's political system. This he sees in the conflict between the executive and legislative branches, between policy and procedure, and other red tape. Dr. Ho discovered that the only kind of legislation that is favored by Congress is one which is beneficial to an increase of American exports and augments the business of the American merchant. "Can such a 'business philosophy' lead the world?" the writer inquired. He gave a strongly negative answer.

"Only a great spiritual objective can lead the world," Dr. Ho stated emphatically, adding that "Man does not live by bread alone, and, therefore, a materialistic philosophy is insufficient for world leadership."

He discovered that the idea which the American export is one of "bread" and "bread alone," continuously stressing the elevation of the living standard and the strengthening of the purchasing power for American products. "In other words, what Uncle Sam has shown the world is not spiritual comfort, but only materialistic enjoyment," the writer opined.

Culture And Income

He further deplored the American habit of measuring the cultural development of a country by its "national income." At election time, it is always the promise of "two cars in every garage" and a "chicken in every pot." These promises may win the support of the people, but they are not sufficient to lead the world, Dr. Ho stated. The world is very far from the state where every garage has two cars and every pot its chicken.

There is much truth in the doctor's statement. Despite the arrival of the "Wonder Age," the American common people are still poor and unhealthy. As pointed out by Alvin Johnson in the autumn 1944 issue of *Social Research*, "not 10 percent of us (American people) have ever had all the material goods our natures crave.....The American people are as a people, badly housed, badly fed, badly clothed, badly equipped with medical services, and badly educated."

What has disqualified Uncle Sam from world leadership, however, according to Dr. Ho, is the racial discrimination prevailing in the United States.

Finally, with the end of wartime powers vested in the Chief Executive, Dr. Ho sees a return to the conflict between the executive and legislative branches of the government and a return to the "business philosophy." He made it clear, however, that he did not want to offend Americans by his criticism, and did not believe that world leadership would pass to the Soviet Union. It was precisely because of his ardent hope for American leadership that he had spoken out.

Liberalism Hoped For

The foregoing articles show that the Chinese people hope for the rise of liberalism and its assumption of leadership. Many Chinese likewise hope that Uncle Sam will tread a similar path because conservatism will lead us nowhere, but progressiveness is the only way out.

In the present situation, the atomic bomb will not protect [illegible] alone is unable to save the situation. It is the winning of men's minds and the capture of their imagination that is decisive. We believe that the main weapon of Communist expansion is not the Russian Army, but the Russian idea, such as the abolition of forced unemployment and the inevitable business cycle, the doing away with exploitation of man by man, and the equal distribution of wealth, as well as other points. The best way to halt the spread of Communism is to demonstrate that a free society can be made to work without Communism.

Finally, by hoping for a rise of liberalism in China, as well as elsewhere, and by proposing the formation of the Democratic Internationale, the Chinese do not intend to divide the world into a Democratic and Communist internationales. On the contrary, we hope to narrow the present gap existing between them, uniting the world into a single world. It is undoubtedly easier for one progressive to get along with other progressives, than with conservatives.

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War Over Indonesia

LIN WO-CHIANG (林我將)

WITH large-scale war flaring up again in the East Indies since July 21, in which land, sea and air forces are employed by the Dutch together with the scorched earth policy adopted by the Indonesians, the Chinese in Indonesia, particularly those on the islands of Java and Sumatra, are going through another ordeal not less menacing to their security than the series of battles which have broken out spasmodically ever since August 17, 1945, the day the Indonesians declared themselves a Republic, defying first the British, then the combined Anglo-Dutch forces. Today our eyes are directed once more to this woebegone region and the unhappy people there.

At this moment the Indonesians, who aspired to national independence after the collapse of the Japanese, are coming to grips with the Dutch, their former rulers, to decide whether the future political makeup of Indonesia is to be what they have been looking forward to, or is to be shaped according to the blueprint proffered them by the Dutch.

Mere "Police Measure"

To the Indonesians and the Dutch the political or constitutional issue behind the present crisis appears to be of paramount importance; but to the outside world it just means these, or some of these: the deprivation of a continuous supply of certain essential raw materials and commodities, loss of capital invested, loss of market, and, above all, as in the case of China, the potential danger to which their nationals there would be exposed, if the present situation deteriorates.

In the present campaign the Dutch Government has chosen to regard it not as war, but as a mere "police measure," taken to settle certain "internal affairs." This may be a matter of opinion which the Dutch are perhaps justified to assume, provided that this action or measure does not seriously affect the interest of other countries, and that it is in harmony with those principles laid down during the last war for the building up of a postwar new world order, for which the Allied Powers fought and to which Holland, herself so recently a victim of the Nazis' iron fist, subscribed.

While still in this train of thought, the writer cannot help feeling also, that in adopting the scorched earth policy, the Indonesians have intended to deny their opponents the benefits of certain resources and facilities; and that in doing so they have not forgotten the rights and welfare of the third parties. But in the present conflict, we hear almost daily of demolition of property, belonging neither to themselves nor to the Dutch, but to some third party. We have in mind the deliberate burning of the Chinese quarters in towns east of Batavia, where more than 500 Chinese were rendered homeless a few days ago. The Indonesians have declared that they are fighting for freedom, in their appeal for foreign mediatoin. That is all very well. But they should remember that the nationals of those foreign Powers now in their midst, who take no side in this struggle, are entitled to protection both of life and property from both contestants—from the Dutch, who claim a *de jure*, and the Indonesians, a *de facto*, status—in and over that part of the world. It is deplorable that today the Indonesians, after they have gained a *de facto* status for their government, should repeat the wrong they did the Chinese after V-J Day, viz., subjecting them to vandalism and pillage, when they began their struggle for independence.

1945 Killings Recalled

It will be recalled that the British troops, under Lord Killern, were sent by the Supreme Commander of the Allied Powers to disarm the Japs in the former Dutch East Indies, and landed at several points in Java and Sumatra, in the latter part of October, 1945, almost two months after the Japs had surrendered and the Republic of Indonesia was established. The British at once met with staunch resistance from the Indonesians, who believed that the British were there to regain the East Indies for the Dutch, not merely to disarm the Japs. Very severe fighting took place in Soerabaya, where the town was partially demolished by British bombs and shells, and where more than 3,000 Chinese were injured and not less than 500 killed.

In the fighting which took place in Bandoeng on December 21, 1945, more than 2,000 Chinese were rendered homeless. The Anglo-Dutch combined forces succeeded in regaining Bandoeng from the Indonesians only in March of the following year, when the Indonesians retreated, but not until they had burned down one-fifth of this splendid town, which has a large and prosperous Chinese population. In the present outbreak of war incendiarism has become even more widespread and devastating.

For nearly two years fighting, costly in human lives and property, has been kept up, punctuated only by a few breathing spells, such as were provided by the short-lived truce during, or as a consequence of, the negotiations for the Cheribon agreement, signed in November 1946, and the Linggardjati Agreement, concluded this March. Although we have been told that the cause of the present outbreak was the Indonesians' failure to accept the Dutch demands of May 27, for the setting up of an interim government and the organization of a joint Dutch-Indonesian constabulary force to police the islands, actually there is more to the trouble than what meets the eye.

Sincerity Doubted

It is the distrust on the part of the Indonesians as to the sincerity of the Dutch in granting them real freedom and ultimate independence. Since the withdrawal of the British forces from the East Indies at the end of November 1946, the Indonesian have watched the continuous rushing of Dutch military reinforcements (which include American-trained and equipped units, Lend-Lease warplanes, etc.) with growing apprehension and anxiety. There was only a handful of Dutch troops in the East Indies at the beginning of 1946, but today the fighting strength has been brought up to 120,000 men, not including the native troops under Dutch command. The Indonesians questioned the real purpose of maintaining such a huge army on their soil, if the Dutch really want their cooperation and partnership within the framework of the Netherlands-Indonesian Union, as outlined in the Cheribon Agreement, which states in Article 6, that:

> "To promote the joint interests of the Netherlands and Indonesia, the Netherlands Government and the Government of the Republic shall co-operate in the establishment of a Netherlands-Indonesian Union in which the Kingdom of the Netherlands, Netherlands Indies....shall be converted into the said Union consisting on the one hand of the Kingdom of the Netherlands ...., and on the other hand, the United States of Indonesia."

Mediation Rejected

This suspicion has been most markedly reflected in the difficulties which faced Dr. Sjahrir, who was recently pressed by the Dutch Government to form an interim coalition government for implementing the Linggardjati principles. Dr. Sjahrir had to resign from the premiership last month (which precipitated the crisis), because he was unable to bring the four Indonesian parties to agree upon the Dutch proposals. Some members of these parties had openly declared that the Dutch were out to re-establish their colony-empire in the islands. The rejection of the good offices of third Powers, when the situation had become tense, after May 27 and before July 21, further confirmed the Indonesian

belief that in the end force would be used to bring them to submission.

The third party intervention, if we may call it so, if accepted, particularly the "aide memoire" of June 28, from the United States, would have made further armed conflict unnecessary. The surprising turn of events after the presentation of the American note, shocked the whole world and, above all, the United States. On July 21, the U.S. State Department in a statement asserted that:

> "The United States Government profoundly regrets that negotiations have been discarded as a means of achieving the voluntary association between the Netherlands and the Indonesian peoples contemplated by the Linggardjati agreement."

It adds that the United States Government was informed only on July 20, of the decision of the Netherlands Government to resort to military action in Indonesia.

China Concerned

China takes a serious view of the present critical situation in the East Indies, where there are more than a million and a half overseas Chinese. On receiving reports that fighting had again been resumed, the Chinese Government sent a memorandum to the Dutch Government, expressing concern over the safety of the Chinese people there, and offering to mediate. It is now definitely learned that the Dutch Government has informed the Chinese Government that third party mediation is not necessary, pointing out that the present conflict is a purely internal affair.

This war that is now raging over Indonesia, call it "colonial war" or "police action," or what you will, has attracted the attention of the whole world for many reasons. These may be political, economical, religious or even ideological. An "internal affair," indeed, but the repercussions are world-wide and variegated.

Assimilation Of Overseas Chinese

LAUW THIAN HOK

Batavia Java, (By Mail).

THE ties between China and her overseas citizens were permanently established only after China had been proclaimed a republic. The revolution in China (1911) brought about great changes in the position of Chinese residing in the Netherlands East Indies. These changes are reflected in the attitude of the Dutch Government to the Chinese living in the territories under its control.

It is since that date that the Dutch Government evolved and passed its so-called citizenship act, which concerns Java-born Chinese (an attractive code in theory, but not in practice) and which aims at severing the relations existing between China and her overseas people.

The most familiar manifestation of national existence is the manner in which a people uphold their native culture, customs and loyalty to the motherland, despite the circumstances in which it finds itself. By far the greatest link existing between overseas residents and the mother country is the language, the study of which is a most noble pursuit on their part.

Establish Schools

As a consequence of their patriotic feelings, the Chinese have established schools throughout the territory of the NEI in which Chinese is taught. The desire to abolish illiteracy among their compatriots and the lack of educational facilities have been partly responsible for the erection of these schools. The main drive, however, centers around the elimination of illiteracy in the mother language. In spite of their attempts, their efforts have not been crowned with full success and the majority of Java-born Chinese are not familiar with the Chinese tongue.

This failure in the educational campaign has been somewhat of a disgrace to the NEI Chinese, considering the signal successes they have achieved in the economic and business fields. There is hardly a nation in the world whose people do not understand their national language or are foreign to the national character, for otherwise they are sundered from the national existence and lack a sense of loyalty. The National Government should, therefore, devise a scheme for the maintenace of spiritual communication between China and her overseas children.

The wealth of a nation does not merely consist of goods stored up in warehouses. It is stored in the hearts and minds of the living guarantors—the people, the key to the future of their country. The failure in the educational campaign is not merely a failure arising out of the educational system, but is also a failure due to the circumstances in which these people find themselves.

80% Working People

In the NEI, 80 percent of the Chinese population belong to the working class—they are the people who cannot afford to give education to their children, the men who naturally expect a "recompense" when their children do attend school. It is not intended to insinuate that these men are inclined toward a policy of opportunism, but the heavy pressure of their circumstances, augmented by the unfair practices of Chinese business houses, has forced them to turn to European schools for the education of their children, which would eventually guarantee at least living standards for their European-educated children.

The irresponsible attitude of Chinese merchants destroys the idea inherent in the desire to secure a national education for it rarely happens that Chinese students with a higher education are given prominent positions with Chinese firms. On the other hand, European establishments offer better prospects and opportunities to anyone capable of doing office work, although it is true that colored peoples rarely attain prominent posts with these enterprises. This fact alone encourages Chinese parents to send their children to Dutch schools, forgetting for the moment the fact that a Dutch education may eventually lead their children to forget their homeland.

While the Chinese themselves fail to preserve the morals of their younger generation, the Dutch Government has grasped the opportunity to introduce its educational ideas into the hearts and minds of the young Chinese born in these islands. It thereby greatly influences the spiritual faculties of Chinese youth.

Here, in a foreign colony, we cannot for a moment escape the dangers of assimilation, which involves, unless halted in time, the moral decline of overseas Chinese. The perspective is a gradual, but sure loss of our younger generation.

Overseas League

One of Aristotle's maxims often repeated in the Middle Ages was: "Nil amatum nisi precognitum" (Nothing can be loved or desired, except it be first recognized). This idea is admirable in that it is an accurate and subtle psychological analysis of human needs and their varying intensities. Just as one nail drives out another, it may be not yet too late for the Chinese Ministry of Education to frame a plan for the establishment of an Overseas Chinese League under the patronage of the Ministry of Overseas Affairs, whose aims would be to lend dignity to Overseas Chinese by supporting their schools abroad and in general promoting the study of the national language and culture.

Twilight Of Vice.

Pacific War Forecast Here

PAO YUE

It is a curious fact, but Japan's fateful decision to enter the war against the Allies was definitely known in Shanghai the night preceding their sneak attack on Pearl Harbor. This decision, of course, being the top secret of the Japanese Government and Imperial General Staff, was not revealed to anyone until the Jap raiders had returned to their carrier bases after having played havoc with their target—the unsuspecting fleet of peacefully slumbering American battleships at their moorings in faraway Hawaiian waters.

Nevertheless, the electrifying news that Japan was about to enter the war was announced with absolute conviction at a certain place in Shanghai precisely at 10.30 p.m. on December 7, 1941—more than five hours in advance of the eventful attack on the American Pacific Fleet.

In an opium den called "The Flowery Kingdom," in the Western District, one of the patrons, a tall, lean, pale-faced Chinese with a very reserved manner, having finished his usual portion of 12 "pipes" suddenly attracted everyone's attention by announcing:

"The Pigs Will Fight!"

"The Jap pigs have decided to fight! Tomorrow morning...."

Here he was interrupted by a skeptic who wanted to know where he had received his information, but ignoring the interruption, he continued:

"Tomorrow morning the Japs will occupy the International Settlement and the French Concession and arrest all British and American citizens!"

After a brief pause, he added thoughtfully, "I advise you to take some of the 'stuff' home with you, because who knows, what with martial law and curfew we might not be able to return here for some days, perhaps weeks."

Thereupon, he ordered some cooked opium to be placed in a special container, such as is used for carrying the drug away. Just before leaving the den, he said, "Don't forget my advice, folks, I am not joking! Just listen to the telephone here. I know the Japs are already printing their proclamations. Well, goodbye!"

With these words he left. Nobody took his words seriously at first, but when one man tried to use the telephone, his face suddenly assumed a puzzled expression and then turned pale. Instantly, the remaining customers felt that something was wrong.

Jap Voices Heard

"What is it?" one asked. The man at the telephone, still holding the instrument to his ear, replied nervously, "It seems that the fellow was right, after all. Listen!" He handed the receiver to the inquirer. One by one everybody present took their turn at the telephone, their faces growing anxious, for the usual response from the Special Western District telephone exchange inquiring for the number required was missing. Instead there was a cacophony of brisk, alien voices shouting in Japanese.

Everyone hurried home, some even forgetting the thoughtful advice of the prophet. The next morning, sure enough, the Japs entered the Settlement, roped off the French Concession and the Western District and allowed no one to cross the barricades without special military passes.

Around noon, the radio receivers came alive with broadcasts in English, Japanese and Chinese announcing the fantastic story of the great Japanese air raid success scored in Pearl Harbor. No one could believe that, but it was clear that the Pacific War was on.

Surrender Forecast

Exactly three years and eight months later, another prophecy was uttered, also in one of the local opium dens, by a customer believed to be connected with one of the large Shanghai banks. This time the prediction was the date of the end of the war and was announced with conviction and finality similar to the previous one.

On August 6, 1945, early in the morning, in one of the private, and supposedly "secret," opium dens near Bubbling Well Road, a small crowd of customers was patiently awaiting its turn on the bed with the only pipe on the premises. This was characteristic of that period as dens had been officially prohibited, although the drug was still sold openly by the Opium Suppression Association shops. This led people to believe that the term "opium den" meant an enterprise using two or more pipes, while those using only one were regarded as private places, and the customers as the owners' personal friends and guests.

A newcomer, obviously in a hurry, made the following unusual proposition, "Listen, everybody! If you will let me have my 'two pipes' (a figure of speech of course, as the fellow usually smoked at least 10 or 12 at a "sitting"), without waiting for my turn, I will tell you a very good and important piece of news from which you can all profit. But you must promise not to tell anyone else."

Because he seemed so much in earnest, and was known to be of good standing and a trustworthy character, almost everybody agreed. The dissenter, a woman, said she was interested in nothing but getting home before her husband discovered that she spent her market money on opium.

After inhaling deeply several times, the banker announced, "The great news is this—the Japs have decided to surrender! In a few days the war will be over! T. V. Soong is leaving for Moscow to sign a preliminary peace treaty with the Japanese Ambassador there." (With the exception of this last point, his prediction was correct).

Tip Came Via Radio

Some of the customers who heard this news took it seriously and managed to make a profit through speculation with CRB and CNC, and trading in silver coins (Mexican dollars), which was a most popular form of minor speculation at that time.

Later, when the banker's prediction was fulfilled, someone asked him how he had known about it, for few people imagined that the Japs would actually surrender and that the war would end so abruptly. The wistful answer of the amateur prophet was, "I dreamt it on the previous night," which is the Chinese equivalent of the "little bird." Actually, the man had a short wave receiver, and had got his "tip" over the air.

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Business Generally Remains Quiet

BUSINESS was generally dull during the week under review for precisely the same reasons as were outlined last week, viz., expectations of "imminent" government clamping down on financial institutions and the outcome of the investigations by the Wedemeyer Mission, which still has not made any statement committing it to any line of action.

To the foregoing must be added the continuation of last week's rumors alleging that commercial banks would be allowed to grant only productive loans and that commercial lending would be banned. Moreover, on July 30, the Government came forth with an order barring the use of checks deposited in banks on the same day. (The funds can be used only the next day.) This last factor has taken the wind out of the stock exchange operators who were dependent heretofore on the free use of funds.

The majority of the large scale operators adopted a wait-and-see attitude; the money market remained easy with interest around 15 percent, as compared to the previous highs of 25 and almost 30 percent. Financial quotations and commodity prices were lying in wait for concrete proof that no American loan is forthcoming—and that the Government has no positive plan to counteract this failure—before starting on an expected new spree.

No Currency Change

During the week high officials in Nanking repeatedly denied the rumor that China's currency will be changed, declaring that the conditions for such a change are not available and that a change at the present time would not bring about the desired results. Mr. O. K. Yui, Minister of Finance, made it clear also that although the Chinese Government has been considering and planning the stabilization of China's currency, no plan is contemplated at the moment for a change of currency.

In the black market, which has discarded some of its caution in recent days, arrests of operators continued, with a few effected practically every day. It appears that, for the time being, the Government will continue to stick to its search and arrest policy in this field.

On July 31, Generalissimo Chiang Kai-shek called for "full support" of the Government's program for nationwide collection of foodstuffs and enforcement of conscription, at the closing session of the Food Conference.

This confab decided to collect 2,500,000 tons in the next 12 months. The exact tonnage of the food to be collected is difficult to gauge because of divergent reports on the subject. The Food Minister reveals one figure, the prime minister another, and the official and government controlled papers furnish figures in piculs and tons.

Szechuen Province, the rice bowl of China—a conception which is a myth by now—is burdened with 8,000,000 piculs, the largest contribution. Chahar, only recently recovered from the Communists — actually the agrarian areas are still in Communist hands—is asked to give only 150,000 piculs. Sinkiang Province is exempted "due to the complexity of the political situation."

COL Indices Rise

The cost of living index, compiled by the Statistics Office of the City Government in Shanghai, showed an increase of 13 percent over the June figure for workers and a 20 percent hike for salaried employees. The workers' index is 28,700 and the employees' 23,700. The main factors influencing this rise are said to be vegetables and meat, the hike in utility rates, and the hiking of rentals.

Base: 1936—100

Employees:

Indices	July, 1947
General Index	2,370,000
Group Indices:	
Food	3,070,000
Housing	720,000
Clothing	5,090,000
Miscellaneous	2,850,000

Workers:

Indices	July, 1947
General Index	2,870,000
Group Indices:	
Food	2,930,000
Housing	2,250,000
Clothing	5,420,000
Miscellaneous	3,140,000

The wholesale price index in Shanghai for the week ending July 26 dropped by two percent when compared with the previous week due to the quiet business conditions. The general index was 46,845. The following table gives the quotations of some of the leading commodities:

	July 26 CNC$	August 2 CNC$
Bond C	9,300	9,600
Wing On Textile	220	240
Mayar	433	425
Ewo Cotton	80,500	96,000
Rice	365,000	425,000
Wheat flour	107,000	111,000
Peanut oil	760,000	820,000
20's Yarn	10,900,000	10,900,000
Raw silk	29,500,000	20,000,000
Rayon	26,100,000	24,900,000
RQ Cigarettes	89,000	93,400
Koo Ban Soap	487,000	473,000
My Dear Matches	3,070,000	3,110,000

BUSINESS FOOT-NOTES

The Central Trust of China has appointed a number of export firms to ship abroad such Chinese products as tung oil and hog bristles, which were previously purchased from holders of stocks who were unable to ship them abroad at their own expense. These firms will act as selling agents for the Central Trust.

* * *

SCAP has offered to supply China with 1,000,000 pounds of Japanese cocoons at US$1.80 per pound, as compared with last year's price of US$2.80, according to UCIB. At this price, the US$1,800,000 worth of cocoons will produce 2,500 piculs of raw silk, which can be sold at US$4 per pound, thus bringing in US$1,330,000.

* * *

Flood losses in Kwangtung Province, as listed by the Bureau of Social Affairs in Canton, came to a total of 134,293 buildings, 121,342 tilling implements and 7,632,806 domestic animals, the total loss amounting to CNC$4,280,240,919,900, according to *Central News*.

* * *

The British House of Commons this week heard Prime Minister Clement Attlee announce a new economic plan which is to deliver Britain from the economic crisis she is currently facing. Attlee said the crisis is "serious," and recommended a new austerity which will surpass the one prevailing in the darkest days of the war. His proposals included the slicing of imports, of films and foodstuffs, a drastic reduction of the armed forces, curtailment of travel facilities for Britons abroad, and the expansion of production facilities of the colonial empire. He revealed that the American loan would run out by the end of the year. It was said, however, that Britain's economic position can be altered radically only through a change in foreign policy.

Chinese tea has great prospects in French markets, according to the *Chung Yang Jih Pao*, quoting a French merchant who has recently bought 900 tons of green Chinese tea for shipment to France.

* * *

A Sino-Soviet barter trade agreement will soon be signed, covering the export of about US$10,000,000 worth of Chinese goods to Russia to cover China's war debt to the USSR, a spokesman of the Executive Yuan revealed this week. The agreement is at present under consideration by the Executive Yuan. Current negotiations entail the arrangement of transport charges on goods shipped. Under the proposed agreement China will send Russia brick tea, tung oil, wolfram and antimony.

* * *

All attemnts to end smuggling the South China via Hongkong have been fruitless, George Yeh, Foreign Affairs vice-minister, told the press in Nanking. Yeh said his ministry had continually sought the cooperation of the British and Hongkong Governments but "have not yet been favored with a reply." It is said CNC$-11,300,000,000 worth of smuggled goods was confiscated by the Chinese Government in 1946, but the actual figure of smuggled cargo is many times that figure.

* * *

Two workers were killed and several wounded when Chinese Army guards fired on a crowd of workers employed in a factory manufacturing clothing for the army in Tientsin. Gendarme and police reinforcements arrived, disarmed the trigger-happy sentries and thus prevented a most probable blood bath which, it was said, would have certainly developed into violent street battles. The authorities later succeeded in calming a huge labor meeting.

NEWS OF THE WEEK

Wedemeyer Flies To Manchuria; American Aid Said Assured

AFTER completing investigations in North China, the Wedemeyer Mission enplaned for Manchuria to continue its probe, which, as *UP* correspondent Anthony Ullstein said, "may affect the lives of 400,000,000 Chinese." Meanwhile, Chinese officials continued to hope for American aid, professors and students for peace, and merchants and businessmen for business. It was again said that despite previous indications that the mission would contact the Chinese Communists to get their side of the picture, there was now no possibility of such an event. The general himself continued reticent on the possible outcome of his mission and one American businessmen said that "The general asked us how's business and we told him there just ain't any."

An *AP* report from Tientsin quoted a statement presented to Wedemeyer by a group of professors, who had not signed the statement for fear of reprisals. The report said the statement asserted that the "Civil War is a strain too heavy for the Chinese people to continue to bear." One of the greatest needs, it said, was a basically democratic government, as the absorption of a couple of minor Chinese parties into the Government "has not delivered China from her present crisis." The statement warned that "any nation which no matter how righteously undertook to help the present Government fight the unpopular Civil War would be despised."

The *Shun Pao* reporting a press interview given by Ambassador J. Leighton Stuart in Tsinan several days ago, quoted him as having answered newsmen's questions as follows:

1) It is necessary for intellectual youths and enlightened liberals to lead a new revolutionary reconstruction movement in order to substitute this for the current destruction.

2) The United States hopes that Japan will become strong, but it also hopes that China will become strong. Unless economic revival is effected in Japan, the seeds of a new crisis endangering world peace will be sown.

3) American aid to China is not a question of principle, but of form. The Wedemeyer Mission completed, effective aid will be delivered to the Chinese Government.

* * *

PPC STUDIES MISSION

IN an informal session, the PPC discussed the Wedemeyer Mission this week, in the course of which American policy in the Far East, the nature of the Wedemeyer Mission and the "Chinese people's expectations of America" were analyzed.

Among the opinions expressed were the belief that America is placing China in a secondary role to Europe in her foreign policy, and that the mission should pay more attention to public opinion here than to the partisan views of the politicians.

The past week was characterized by a complete absence of war news, both favorable and adverse, the subject concentrated on being the passing by the State Council of the Economic Reform Plan, the start of conscription, the resolutions of the National Food Conference, and the first signs of an election campaign in Shansi.

* * *

ELECTION CAMPAIGN ON

ACCORDING to the *Chung Yang Jih Pao*, the official KMT mouthpiece, all quarters in Shansi have started "with great enthusiasm," an election campaign for the selection of candidates for the Legislative and Control yuans, and delegates to the National Assembly.

The beginning of the election campaign in one of the provinces divided by the Civil War will probably be the first time in history that an election campaign is undertaken in similar circumstances. China will presumably be the first country to have held national elections in the midst of Civil War.

* * *

CONSCRIPTION

CHINESE press reports indicated that conscription has commenced in full seriousness in a number of localities.

The quota of conscripts for Kwangtung Province has been set at 45,000 able-bodied youths and this has to be fulfilled by the end of August, according to the *Sin Wan Pao*. The quota for Canton is set at 2,130 conscripts. Lot drawing has already taken place.

The *Ta Kung Pao* said that although the regulations governing conscription confine the age group to 20-25 years, men of the 26-35 year group are also being drafted. When organized these will be sent to the Northeast province of Jehol, and to Shantung, to reinforce the Government armies there.

In another dispatch from Soochow, the *Ta Kung Pao* said that conscription began in Wuhsien on August 1, with each recruit being allowed CNC$4,000,000 as family maintenance. The paper said that as it is difficult to recruit volunteers, the allowance has been raised to CNC$20,000,000 per volunteer.

From Yangchow the paper reported that the hsien executives in charge of conscription have not yet "understood" the meaning of voluntary induction into the army, because they again have resumed seizing able-bodied men in the dead of night.

According to these dispatches, conscription in several hsien is meeting with the opposition of the people, largely due to the malpractices of the police and peace preservation corps who engage in "harrying people for payment of taxes." The hsien administrations have instructed these bodies to confine themselves solely to the protection of tax collectors and not to interfere with the process itself.

* * *

WHOSE VICTORY?

THE KMT Army *Ho Ping Jih Pao*, in commenting on a reported victory in Linchu, Shantung, said that the "bandit-suppression situation" has turned favorable, with the "bandits" unable to "escape the tragic fate of a total collapse." The paper said that the Government won a major victory at Linchu, "one of the most glorious victories won since the beginning of the bandit-suppression campaign." The paper said it was looking forward to a second and a third big victory like that won at Linchu.

The exact opposite to this report was broadcast by the *New China News Agency* which declared that Gen. Liu Po-cheng's troops have been successful in their "counter attacks" in Shantung and that the "position of the KMT is deteriorating in Shantung." By July 29, the agency claimed, Liu's troops had "completely annihilated the entire 66th Division in Chinghsian county."

From the two foregoing reports it was entirely impossible to get a fair idea of what was going on in Shantung and who was mopping up whom in the mountainous regions.

From various reports it appeared that the Communists had by passed the Government forces defending Kaifeng and the pertinent stretch of the Lunghai Railway, and had succeeded in capturing the town of Chouchiakou, 70 miles south of Kaifeng.

* * *

K RATIONS HERE?

IF the National Government succeeds in operating the Henningsen Produce Company's main Shanghai factory, which it recently purchased to manufacture canned and dehydrated foodstuffs, the Chinese Army will switch from its present diet of rice and vegetables to a type of Chinese K Rations.

The Ministry of Defense which revealed the deal this week said that it planned to expand the plant to

Marshal Li Chi-sen Out Of KMT

A REUTER'S report from Nanking said that Marshal Li Chi-sen, outspoken critic of the Chinese Government now living in Hongkong, was expelled from the Kuomintang Party without any official explanation. Observers interpreted this move to be the result of the marshal's outspoken criticism of the Government which he called "undemocratic," and his frequent protests against American aid to the Kuomintang. It is also said that he has associated himself with the secession movement in South China, where the "rebels" have reportedly set up a number of administrative organs with their own appointees. The marshal was the Generalissimo's Chief of Staff during the Northern Expedition of 1927.

What U.S. Papers Say . . .

THE American press, assessing the progress of events in Asia, commented extensively on the Wedemeyer Mission to China, the war in Indonesia and colonialism in general in this part of the world.

* * *

COLONIALISM

THE *San Francisco Chronicle* said that although Asiatic colonialism is dying hard, it is dying, nevertheless. The paper declared that India's intervention on behalf of Indonesia in the United Nations and "pro-Indonesian expressions from China" give the impression that the Japanese may have lost everything else and won the campaign for Asiatic solidarity against western nations.

"The handwriting is there in the sky of Asia for all to read; the long centuries of divide and rule are gone and if Asia holds solidly against colonialism no power or combination of powers can reimpose it."

Western control in Asia will not disappear overnight, the paper said, but the white superiority idea is doornail dead and the exploitative system built upon it is on its way out.

"Asia remains technically and militarily backward and any western power could kill 100 Asiatics for every western soldier. But the weight of a billion Asiatics dragging their feet, the vast aggregate of acts of sabotage and guerrilla disruption, the deadly attrition upon colonial powers' resources and nerves would inevitably tell in the end," the *Chronicle* declared.

"The west would therefore serve its own ends and the cause of mankind by facing up to the inevitable," the paper concluded.

* * *

WEDEMEYER

THE *New York Herald Tribune*, in a recent editorial, said that the Wedemeyer Mission in China is not a fact-finding mission but is aimed at "advocating political, economic and military reforms in China that would enable the United States to follow a more satisfactory course in the Far East."

Wedemeyer's mission, the paper declared, is certainly not to check on the findings of the many trustworthy observers the United States has in the country . . . The facts about China, most of them depressing, are readily available.

"Marshall would prefer to give strong aid to the Nanking Government, but the latter has little popular support in China and includes so many inefficient and corrupt administrators that any assistance is likely to be wasted or to fill the pockets of the crooks," the paper asserted.

The *Herald Tribune* expressed the belief that only a most drastic house-cleaning in the Government could cure this inefficiency and corruption. The United States cannot afford to back the reaction in Nanking, no matter how grave a threat to Communism, because reaction is so clearly doomed in China. All the resources of the United States could not long maintain in power a regime that is hated by more than 450,000,000 Chinese.

"While the hour is now so late in China that some observers believe that the present Nanking Government cannot be saved, it is possible that whole-hearted reform might still produce remarkable results," the paper concluded.

* * *

INDONESIA

THE *New York Times*, commenting on the cease-fire order issued by both parties in Indonesia, said that "the United Nations has achieved its first major victory as guardian of peace."

The extent of this victory remains to be determined because while the cease fire order of the Netherlands is precise, that of the Indonesian Republican Government requires further elucidation. Despite these remaining doubts, the success of the Security Council in eliciting immediate cease-fire orders represents a triumph which adds greatly to the stature of the United Nations and creates a precedent for immediate application to other cases of open warfare now before the Security Council, namely the case of Greece.

At the same time it must be kept in mind that this triumph became possible because France and Britain, which doubted the Council's jurisdiction and feared possible effect of its action in their own possessions, abstained from using the veto, the paper said.

The *New York Herald Tribune* declared that it is a hopeful augury when the Security Council is able so promptly to adopt its resolution (with abstentions, but no vetoes) calling for cessation of hostilities in Indonesia and submission of the dispute to arbitration.

"It is even more hopeful when the Netherlands authorities promptly accede by issuing cease fire orders and the Indonesian Republic follows suit . . ." the paper wrote.

The *Philadelphia Inquirer* rejected as "fantastic" Andrei Gromyko's charge in the debate in the Security Council, when he said that the American offer of its "good offices" to help settle the dispute "by-passes the United Nations."

The paper believed that the United Nations as a whole can "recover a measure of its fading prestige by a fair settlement of the Indonesian dispute." The Netherlands Government, the paper said, cannot get away from the fact that the agreement it signed with the Indonesian Republic last March provided that any differences arising over the execution of the agreement would be submitted to arbitration of a third party."

The *Louisville Courier-Journal* expressed a similar stand.

Who's Who in China

DR. CHIANG MON-LIN, university president and government official; born at Yuyao, Chekiang, in 1884; studied at Chekiang Provincial College, Hangchow, and Nanyang College, Shanghai; went to America and attended University of

Dr. Chiang Mon-lin

(蔣夢麟)

California, 1908-12, receiving B. L. degree; chief editor of *Chinese Free Press*, revolutionary organ of Dr. Sun Yat-sen in San Francisco, 1909-12; entered Columbia University, 1912, to study education and philosophy and received M.A. and Ph.D. degrees, 1917; returned to China in 1917; founded the *New Education*, 1918-20; joined Department of Philosophy, National University of Peiping, 1919; assisted in reorganization of administration of University, 1919-20; became dean of Department of Philosophy, 1921, and acting chancellor of university, 1921; attended Washington Conference as Chinese people's delegate elected by National Association of Chambers of Commerce and National Federation of Educational Associations; traveled in Europe after conference; acting chancellor of National University of Peiping, 1923; member and chief secretary of Central Political Council of Kuomintang for Chekiang, 1926; chancellor of National University of Chekiang, 1927; appointed minister of Education of National Government, 1928, which position he resigned in December, 1930, to become president of National University of Peiping, holding that post until 1945; secretary general of Executive Yuan, 1945-47; now Councillor of State Council and President of Chiaotung University, Shanghai, to which latter post he was appointed in July, 1947; President of Chinese Red Cross Society; author of A Study in Chinese Principles of Education; Transitional Periods in Thought and Education; Tides from the West, Yale Press, 1947; address: 19 Yiho Road, Nanking.

include the production of army shoes, uniforms and other equipment as soon as possible. It said that the idea behind the purchase of the factory is to assure the Chinese GI a regular supply of standard calory and vitamin rations, such as is adhered to in other countries.

Officials told *AP* in Nanking that "in order to produce good fighting men in the Chinese army, China will take full advantage of the many developments and improvements made on soldiers' food by various nations during the war."

What Chinese Papers Say

THE question of reopening trade with Japan continued to occupy a prominent place in Chinese editorial writing here. There was an indication that the entire campaign would fizzle out following the decision of the Government to reopen trade with Japan on August 15. The focus of editorial comment shifted to trade and trade controls in general, while a number of Government controlled papers commented on the Economic Reform Plan.

• • •

JAPAN

THE *Chung Yang Jih Pao*, writing on the question of trade resumption interpreted the possibilities of this trade in direct relation to the national economy, adding that a plan should be devised to counter balance the Japanese plan, which the industrialists and the Government of that country have already ambitiously prepared.

The paper urged strict controls over this trade, adding that while the question of Japanese trade is important "we certainly should not fail to seek a fundamental solution for our own economic problems."

The *Ta Kung Pao* again urged China's restatement of her position of the United States proposal to convene an 11-nation conference to draft the Japanese peace pact.

"If we now allow ourselves to be handled by others in any manner they wish, when the time comes we shall find ourselves pressed for time. We urge the Government to consider effective measures for dealing with the peace conference on Japan, make public its attitude on this question, extensively ask the people's views on the matter and then carefully draw up a draft peace treaty which will be in harmony with our national interests," the paper urged.

The *Ta Kung Pao* issued a warning: "It would be most dangerous for China to act as an appendage of the United States. The United States is now assisting Japan in a large way to regain her strength, which is tantamount to assisting China's enemy. There are quite a number of questions on which China's stand conflicts with that of the United States. It is absolutely necessary for China to preserve the veto power for self-defense. The formal peace conference should be held in China, and the question of the conference site is one on which we should fight."

The Chung Hwa Jih Pao, the Young China Patty organ, pointed out that although it is laudable that China does not want a harsh peace with Japan, yet the main question is not to allow Japan to recover too rapidly.

"There are people who are now helping Japan recover so that she may become a stabilizing force in the Far East. Only China should be made the stabilizing force in the Far east," the paper urged, adding that otherwise this generation "would be considered as sinners by historians."

The *Shang Pao*, the CC Commercial organ, said the Government's decision to reopen trade with Japan is erroneous.

"Speaking from the standpoint of industrial and commercial circles, we feel that in deciding to reopen trade with Japan at this time, the Government has not given the matter a sufficient amount of careful consideration," the paper said.

The *Shang Pao* called to attention the fact that Japan's trade plan aims at obtaining more than US$55,000,000 from China in the form of a favorable balance of trade, for the period ending December, 1947. Those businessmen who want to get rich quick will now go to Japan and in less than a month Japanese goods will begin arriving in this country. "This will undoubtedly deal a heavy blow to Chinese products."

The paper said it could not agree that the question of reopening trade with Japan has become the common objective of all Allied nations, after it was passed by MacArthur. "We are a nation which occupies an unfavorable position in international trade and cannot be compared with Britain and the United States."

The paper predicted "evil consequences" would arise from trade with Japan. "In conclusion, we wish to say that the Government has made a grave mistake."

The *Ho Ping Jih Pao*, the KMT Army organ, called the Government decision to reopen trade a "wise decision." From this it can be seen that the "Government is farsighted that it has refused to be influenced by the views of a small number of people, and that is has been able to see the real interests of the people."

"This is really a wise decision. The Chinese industrialists ought to support this policy and unite in trying to emerge victorious from trade in Japan," the paper declared.

• • •

TRADE CONTROL

THE *Ta Kung Pao* reiterated its previously expressed stand with regard to trade and trade controls, adding that if the United States wishes to develop the China market, she must do so from the standpoint of the mutual economic benefit of the two countries. It also noted that "technically" there are many points worthy of criticism in the current Chinese Government's trade control policies.

"The unfavorable balance in a country's foreign trade is the unfavorable balance in its international payments and also a burden upon all the people of the country," the *Ta Kung Pao* wrote. Although China's foreign trade is nominally under control, the unfavorable trade balance grows continually, while the foreign exchange rate declines. Yet, the parties concerned, viz., the producer in China and the businessman in friendly countries have not benefitted from this control. Even if aid is decided upon by foreign countries, it will not bring benefits, if such control technique is not improved.

"In principle, control of imports is right, but the present system of control permits only imports, but no exports. So far as those who enjoy special privileges are concerned, the system of control has become no control. Such control is worse than no control at all. If this situation is not altered, all economic reform and all economic aid will be just empty talk," the *Ta Kung Pao* declared.

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ECONOMIC PLAN

THE State Council passed the Economic Reform Plan on August 1, and a number of papers thereupon took up discussion of its various aspects, positive and negative.

The *Chung Yang Jih Pao* called the plan "quite a comprehensive document. If this plan can be speedily and effectively carried out it will at least enable our agriculture, industry and commerce to step on to the road of development even though it will not enable the state of economic poverty now obtaining in our country to be changed immediately."

The *Sin Wan Pao*, noted that the reform plan should emphasize the reform of the banking system, but this cannot be achieved merely by establishing more hsien banks as provided for in the plan. Moreover, the proposal to establish one bank in every hsien is contrary to the principle of centralization of banking institutions. If the Government establishes one bank in every hsien through issuing large quantities of banknotes it will probably render the inflation even worse, thus indirectly deepening the crisis caused by the increase in prices of agricultural products.

The *Ta Kung Pao* also noted that the Economic Reform Plan drawn up by the Executive Yuan concentrates on the improvement of banking. Even as the *Sin Wan Pao*, the *Ta Kung Pao* noted that if the points stressed in the plan were to be implemented, the inflation of currency and credit would be further increased.

"Thus we could reach a queer conclusion, i.e., that the reason why the Government has been unable to make both ends meet and why industries could not be developed has been due to the inadequate currency and credit inflation," the *Ta Kung Pao* wrote ironically.

Summing up its impressions of the reform plan, the *Ta Kung Pao* said that the 100 or so articles embodied therein make up a substantial menu, which looks good but cannot be eaten.

NEW BOOKS OF INTEREST

The Answer

A DICTIONARY OF NEW ENGLISH WORDS, PHRASES, AND USAGES *compiled by Hertz C. K. Ke, Chao-hsu Kwei, Wu Tieh Sheng, Wu Meng-hsiung. Published by the Ching Wen Book Company, 796 Peking Road, Shanghai,* 1947. 289 *pp. Reviewed by Y. F. Soo.*

CHINESE readers of the *Review* who occasionally write in for explanations of words like "grass roots," "bailiwick," and "CIO" should immediately get hold of this pocket size edition of a well compiled first aid dictionary which gives the Chinese equivalent of a large number of new words added to the English, and more so to the American, language in recent years.

The compilers of this useful volume explain that the title of the book does not describe adequately enough the riches contained therein, for not only are new words, phrases and usages given, but also new senses of old words, new uses of old words, new senses of old phrases and new abbreviations. (GI and K Ration, for example, are both included.)

The authors have taken the trouble to read a large volume of books, magazines, newspapers, advertisements, pamphlets, synopses of movie stories and even envelopes, to select words and phrases for their dictionary. Some of the words included in the dictionary will be highly instructive to the Chinese reader in these trying times, as witnessed by "absobloody-lutely," one of the numerous colloquialisms explained. The list of words may, admittedly, not include a number of useful and important examples, but such an omission is quite possible and even probable in a first edition of such a complicated opus. It is to be hoped that the compilers will find time to revise this first edition and find it expedient to issue regular revised editions in future.

Even judging from our limited contact with the Chinese reader we are willing to wager that the dictionary in question will be highly popular and will earn its authors the gratitude of many.

Tragedy Of Poles

THE DARK SIDE OF THE MOON *with a preface by T. S. Eliot. Published by Scribner, New York,* 1947. 299 *pp.*, U.S.$2.75. *Reviewed by F. M. Roberts.*

THE Dark Side of the Moon takes its title from a passage in Arthur Koestler's book The Yogi and the Commissar, where Koestler says, "the everyday life of people in Kazan and Saratov, Ashkabad and Tomsk, even in the very suburbs of Moscow, not to speak of the Forced Labor Camps on the White Sea, of the exiled and deported millions in Siberia and Central Asia, is as remote from the Western observer as the dark side of the moon from the star-gazer's telescope." The author has remained anonymous, but Madame Helena Sikorski, widow of the Polish Leader General Wladyslaw Sikorski, writes of her husband's confidence in the author, to whom General Sikorski made available official material.

In presenting this tragedy of the Poles since 1939 the author engages that every separate article of evidence has been taken from a first-hand source: narratives, letters, diaries and other written statements of many hundreds of persons included in the deportations; conversations with deportees; depositions of other persons who witnessed events related; Acts and Notes between Governments. No attempt at assessment of any political system has been made by the author who undertakes here an historical record and a memorial of many hundreds of thousands of innocent and hapless persons.

In the experience of the reviewer there is only one book which bears comparison with this. That is George Kennan's classic, Siberia and the Exile System. Kennan, who made this study in Russia and Siberia in the 1880's for Century Magazine, describes his personal observations of the prisons, the journey into exile, the types of exile, and gives a wealth of individual cases from the moment of arrest through years of exile.

This present account also gives every step in the tragic history beginning with the arrests after the Soviet entry and occupation of eastern Poland in September 1939 when the German and Soviet armies divided Poland between them. Arrests were followed by investigation by NKVD (Peoples' Commissariat for Internal Affairs), often after long periods in prison. Then came the hideous train journey, the boats, the inland trek to the penal camps, also under the control of NKVD. We have already had some accounts of these camps with their forced labor, such as the well-known records of Vladimir Tchernavin and his wife, but nowhere will we find so much documentation and detail from so wide a range of geography and prisoners as in the book under review.

The availability of these countless records is explained in the last section of the book which deals with events after the new Soviet-Polish Pact of July 30, 1941, which followed hard upon the German attack on the Soviet Union. This Pact declared invalid the Soviet-German Treaties of 1939 as to territorial changes in Poland, and by its terms the USSR assented to the raising on the territory of the USSR of a Polish army. The Pact stated: "The Government of the USSR will grant an amnesty to all Polish citizens at present deprived of their liberty within the territory of the USSR."

Now began the task of finding the scattered and imprisoned Poles, the collecting of hundreds of thousands of people in a nation whose economy was already complicated by the invasion of enemy armies, by the retreat of Soviet armies, and by strain upon the national transport system. In the two years following, the hopes for a Polish national army, as promised by the Pact, were ended by the expulsion of the new army in 1942. After two years of renewed hope the forcible issue of Soviet passports to Polish citizens in 1943 marked the end of the Political Pact signed in London.

In the Near East the reviewer knew and taught some of these Poles who had made their way out of Russia through Persia. There in Beirut young women and men, wearing uniform, enrolled in the Polish army, were studying in the University, preparing for the rebuilding of Poland. Proof were they of the author's claim that these pages "bear witness to the ultimate irreducibility of certain citadels of the human spirit, in conditions through which humanity itself seems at first sight to have suffered irremediable defeat."

T. S. Eliot, who writes the preface, indicates the moral meaning of the narrative which these pages record: "The real problem is to find a way in which very different cultures, incarnate in nations of every degree of power or feebleness, can flourish in amity and concord."

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NANKING-SHANGHAI LINE
TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	[illegible]45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D SOOCHOW D A	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55		12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D A	12.04	13.18	15.08	16.21		20.03	3.38	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.			
SOOCHOW	87	24,000.	32,000.	12,000.	16,000.	6,000.	8,000.	78,000.	46,000.	78,000.
WUSIH	129	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	86,000.
CHANGCHOW	168	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
TANYANG	213	64,000.	80,000.	32,000.	40,000.	16,000.	20,000.	90,000.	65,000.	
CHINKIANG WEST	243	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	65,000.	
NANKING	312	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	65,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.48	17.08	17.51	23.55	SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	KASHING D A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.	78,000.	46,000.	
KASHING	99	32,000.	40,000.	16,000.	20,000.	8,000.	10,000.	78,000.	46,000.	78,000.
YEHZAH	126	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	
CHANGANTSENG	151	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
HANGCHOW	190	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	86,000.

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